FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-96-053
Monday
18 March 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-96-053 *18 March 1996*

CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: C.A. 'Stance' at Cartagena *[SIGLO VEINTIUNO 14 Mar]* 1
Inter-American Affairs: Trade Ministers To Attend Summit *[Madrid EFE]* 1
Inter-American Affairs: 'Progress' in Mercosur-Chile Talks *[TELAM]* 2
Inter-American Affairs: Migration Conference Communique *[NOTIMEX]* 2

CARIBBEAN

Cuba

Cuba: Alarcon Discusses Meeting With ICAO *[Havana Radio]* 4

Haiti

Haiti: U.S. Denied Right To 'Influence' Cuban Relations *[Port-au-Prince Radio]* 15
Haiti: President Returns From Dominican Republic *[Port-au-Prince Radio]* 15
Haiti: More on Preval's Dominican Visit, Joint Statement *[Port-au-Prince Radio]* 15
Haiti: International Privatization Conference Continues *[Port-au-Prince Radio]* 16
Haiti: Official Considers Work With Dominican Legislators *[Port-au-Prince Radio]* 16
Haiti: President To Deliver OAS Papers During U.S. Visit *[Port-au-Prince Radio]* 17
Haiti: President, PM To Tour Department of South *[Port-au-Prince Radio]* 17
Haiti: Former President Avril Leaves Colombian Embassy *[Port-au-Prince Radio]* 17

MEXICO

Mexico: Canada, Mexico Hold Talks on Helms-Burton Law *[NOTIMEX]* 18
Mexico: Nation To Support Free Trade During Cartagena Summit *[NOTIMEX]* 18
Mexico: Denial of Joint Military Exercises With U.S. *[NOTIMEX]* 19
Mexico: Disputes With U.S. Cause Export Losses *[EL FINANCIERO (ANALISIS Supplement) 13 Mar]* 19
Mexico: Regional Conference on Immigration Opens *[NOTIMEX]* 20
Mexico: Official on Conflict With Helms-Burton Law *[NOTIMEX]* 21
Mexico: U.S. Explanation of Helms-Burton Law Urged *[NOTIMEX]* 22
Mexico: Zedillo Opens Banking Convention in Cancun *[Mexico City TV]* 22

CENTRAL AMERICA

El Salvador

El Salvador: Report on Efforts Against Criminal Activity *[EL DIARIO DE HOY 16 Mar]* 24

Guatemala

Guatemala: Arzu Orders Investigation of Minugua Charges *[SIGLO VEINTIUNO 13 Mar]* 24
Guatemala: Minister Views Possible Closure of UN Mission *[NOTIMEX]* 25

Nicaragua

Nicaragua: Foreign Minister Comments on Helms-Burton Law *[BARRICADA 16 Mar]* 26
Nicaragua: Economy Official on Free Trade Negotiations *[NOTIMEX]* 26

Nicaragua: Cooperation Agreement Signed With Switzerland *[LA PRENSA 15 Mar]* 27

Panama

Panama: Report Views Issue of Debt in Canal Transfer *[EL PANAMA AMERICA 14 Mar]* 28
Panama: Commerce Minister To Attend Cartagena Meeting *[EL PANAMA AMERICA 15 Mar]* 28
Panama: Report Addresses Expenses of 1995 Budget *[EL UNIVERSAL DE PANAMA 13 Mar]* 29

SOUTH AMERICA

Argentina

Argentina: 'Secret Document' Links BNA Head, IBM Scandal *[CLARIN 13 Mar]* 30
Argentina: Di Tella's UK Briefing Said 'Boring, Hollow' *[NOTICIAS ARGENTINAS]* 30
Argentina: Di Tella Views Fishing Fee 'Conflict' With UK *[NOTICIAS ARGENTINAS]* 31
Argentina: Lithuanian President Interviewed During Visit *[CLARIN 14 Mar]* 32
Argentina: Lithuanian President Praises Reform Process *[TELAM]* 32
Argentina: Cavallo Defends Government Economic Plan *[NOTICIAS ARGENTINAS]* 33
Argentina: Cavallo Admits Argument, Denies Resignation *[NOTICIAS ARGENTINAS]* 34
Argentina: Cabinet Chief on Support for Econony Minister *[TELAM]* 34

Bolivia

Bolivia: Foreign Minister on Certification, U.S. Aid *[LOS TIEMPOS 6 Mar]* 34
Bolivia: Editorial on Antidrug Effort, U.S. Certification *[EL MUNDO 5 Mar]* 35

Brazil

Brazil: Finance Minister Interviewed on Bank CPI *[GAZETA MERCANTIL 7 Mar]* 36
Brazil: Roundup of Economic Reports Through 15 Mar *[FOLHA DE SAO PAULO, etc.]* 38

Chile

Chile: Minister Says Interests in Cuba To Be Protected *[Madrid EFE]* 39
Chile: President Calls For Better Use of Resources *[EL MERCURIO 7 Mar]* 40
Chile: Party Leader Says Middle Class Neglected *[EL MERCURIO 12 Mar]* 40
Chile: Army High Commands Meet To Discuss Reorganization *[EL MERCURIO 13 Mar]* 41
Chile: Closing of UNHCR Offices Marks 'New Period' *[EL MERCURIO 14 Mar]* 41

Colombia

Colombia: Samper on Weapons Found Near Narino Palace *[Santa Fe de Bogota Radio]* 41
Colombia: Police Head on Weapons Found Near Narino Palace *[Santa Fe de Bogota Radio]* . 42
Colombia: New Cali Capo Surrenders to Police *[Santa Fe de Bogota Radio]* 42
Colombia: Police Head on Cali Capo's Surrender *[Santa Fe de Bogota Radio]* 43
Colombia: Prosecutor Denies Ministers Summoned *[Santa Fe de Bogota Radio]* 43
Colombia: Prosecutors Order Criminal Inquiry of Ministers *[Santa Fe de Bogota Radio]* 43
Colombia: Samper on Support for Subpoenaed Ministers *[Santa Fe de Bogota Radio]* 43
Colombia: Foreign Minister Cancels European Visit *[Santa Fe de Bogota Radio]* 44
Colombia: Botero Refuses To Testify to Congress *[Santa Fe de Bogota Radio]* 44
Colombia: Samper Says Opposition Delaying Crisis Solution *[EL COLOMBIANO 13 Mar]* ... 45
Colombia: U.S. Secretary on Antinarcotics Support *[Santa Fe de Bogota Radio]* 45
Colombia: Government Strategy To Counter Decertification *[EL TIEMPO 12 Mar]* 45
Colombia: Decertification 'Adversely' Affects Investment *[Santa Fe de Bogota Radio]* 46
Colombia: Government Concerned on World Bank, IDB Loans *[EL TIEMPO 11 Mar]* 46
Colombia: 'Paradoxes' of Trade Ministers' Summit Viewed *[EL TIEMPO 15 Mar]* 47

Colombia: Samper Discusses 'Full Stop' Law, Drug Money *[Santa Fe de Bogota TV]* 48
Colombia: Samper's Capacity To Govern Questioned *[SEMANA 5 Mar]* 49

Ecuador

Ecuador: Judiciary, Police Reject U.S. Report on Drugs *[Quito Radio]* 53
Ecuador: Armed Forces Mobilized To Remove City Buses *[Madrid EFE]* 53
Ecuador: Candidates Report Attacks on Campaign Rallies *[Quito Radio]* 54

Paraguay

Paraguay: Peasant Demonstrators Arrive in Asuncion *[ABC COLOR 15 Mar]* 54
Paraguay: Peasant March in Asuncion 'Under Control' *[Asuncion TV]* 55
Paraguay: Peasants 'Dissatisfied' at Lack of Response *[TELAM]* 56

Peru

Peru: Court Confirms Life Sentence for U.S. Citizen *[Madrid EFE]* 56
Peru: Congress Expresses Support for Talks With Ecuador *[Madrid EFE]* 57
Peru: Military Leaders Meet With Chilean Counterparts *[Madrid EFE]* 57
Peru: Decertification, Colombian Model Said Linked *[GESTION 13 Mar]* 58

Venezuela

Venezuela: U.S. Defense Secretary Concludes Visit *[NOTIMEX]* 58
Venezuela: Survey Says People Rate Caldera's Address 'Bad' *[EL NACIONAL 12 Mar]* 59
Venezuela: Political, Business Leaders on Caldera's Speech *[Caracas TV]* 59

Inter-American Affairs: C.A. 'Stance' at Cartagena

PA1503153896 Guatemala City SIGLO VEINTIUNO in Spanish 14 Mar 96 p 7

[FBIS Translated Text] The Central American countries will present a joint position in the coming meeting of the hemisphere's foreign trade ministers. This meeting is scheduled to take place in Cartagena de Indias, Colombia, from 21 to 23 March.

Although there is a series of agreements among the countries of the region to present a joint position at the different negotiation tables, including those on the rules of origin and access to markets, a joint position will also be presented with regard to general terms.

It was learned that Central America will advocate that the countries of the hemisphere acknowledge the principle of less developed economies, since it represents a fundamental concept for the region.

In addition, Central America will promote the implementation of a free trade agreement for the Americas as soon as possible via the coordination of interests of the blocs already established.

Economy Minister Mauricio Wurmser and Deputy Foreign Trade Minister Eduardo Sperisen will attend the meeting on behalf of Guatemala.

Inter-American Affairs: Trade Ministers To Attend Summit

PA1503202796 Madrid EFE in Spanish 1122 GMT 14 Mar 96

[FBIS Translated Text] Cartagena (Colombia), 14 Mar (EFE) — The foreign trade ministers and approximately 1,000 businessmen of this continent will discuss the conditions for the future Free Trade Area of the Americas (ALCA) at a meeting to be held in Cartagena, northern Colombia, from 18 to 21 March.

The ministers and businessmen of the continent will discuss the conclusions reached by the seven working groups created at the conference held in Denver (USA) last year, with the purpose of making the ALCA a reality in the year 2,005.

The Colombian foreign trade minister and the National Association of Exporters (ANALDEX), hosts for the summit, pointed out that, a few days from the meeting, most of the groups have already finished their work.

However, the main objective, "the world's largest free trade area," will have to overcome several obstacles among the 34 member countries, harmonize the numerous subregional agreements, and establish mechanisms to eliminate all the tariff and nontariff barriers.

Cuba will be the only country of the hemisphere not to attend the summit, as it does not have a market economy.

The others, from Canada to Chile, the Central Americans and the Caribbean nations, will gather at this Colombian seaside resort during the most important event dealing with the continent's economy.

Delegates of business organizations from Spain, Italy, and Japan will attend this same meeting as observers to the Businessmen's Forum.

The ministers, for instance, will review the reports drafted by the working groups constituted last year in Denver, on such aspects as investment, access to the markets, subsidies, antidumping and compensatory rights, and technical barriers to international trade.

They will also receive the reports prepared by the groups that were tasked with reviewing customs procedures and rules of origin; health, plant, and animal health regulations; and the small economies of the continent.

During the Cartagena meeting, the ministers will not only examine those documents, but will also examine those of other recently created groups, which "is necessary for the consolidation of the region's integration," a source from the organization said.

On 8 and 9 March, for example, a special committee of the countries of the continent requested in Santa Fe de Bogota, in the framework of a meeting held before the ALCA meeting in Cartagena, the study of compensation to less developed countries, which could be adversely affected by a future tariff reduction.

The analysis of alternatives in favor of the "small economies" of the hemisphere was approved by the Special Commerce Commission (CEC), which gave it "preferential" treatment in its working program for this year.

Parallel to the discussions, which will be held at the Cartagena de Indias Convention Center, labor union leaders of at least 23 of the 34 American countries will discuss the presence of workers in the process leading up to the implementation of the ALCA in 2005.

The meeting, which was simultaneously held with that of the ministers and businessmen, was convened by the Laborer's International Union of North America (LIUNA).

The labor union leaders intend to finish their work at the historic Colombian city with a demonstration in front of the headquarters of the ministerial conference.

Two documents will be adopted during the so-called Inter-American Labor Forum, which will be installed on

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

18 March by Colombian Labor Minister Orlando Obregon, a former labor union leader, and the international director of the LIUNA, Michael D. Boggs.

In the first document, the labor union leaders will present their position at the Second Trade Summit, which will gather the labor ministers of the 34 American countries.

The second document will be addressed to the Business Forum of America. Following this meeting, the working class is expected to draft its strategy for all regional and hemispheric integration processes.

All trade ministers of the 34 countries of the Americas, over 1,000 businessmen, 100 journalists, and dozens of delegates from various international organizations will attend the third meeting of the Americas after the ones held in Miami in 1994 and Denver in 1995.

Those confirming their presence at the Business Forum were, among others: 122 businessmen from the United States, 56 from Brazil, 28 from Argentina, 25 from Canada, 25 from Guatemala, 21 from Peru, 19 from Venezuela, 19 from Costa Rica, 16 from Ecuador, 10 from the Dominican Republic, nine from Mexico, eight from Panama, and seven from Chile.

Inter-American Affairs: 'Progress' in Mercosur-Chile Talks

PY1503173696 Buenos Aires TELAM in Spanish 0009 GMT 15 Mar 96

[FBIS Translated Text] Buenos Aires, 14 Mar (TELAM) — Chile and Mercosur [Common Market of the South] today took a significant step toward a "four-plus-one" integration agreement, International Economic Relations Secretary Jorge Campbell said today.

"The main obstacles that were hindering negotiations between Mercosur and Chile have been overcome," the official said.

He explained that the most significant progress was made on the lists of the so-called sensitive and special sensitive products.

The sensitive products that Chile is defending will be taxed by that country — whenever they are imported from Mercosur — with a 30-percent tariff that will decrease to zero over an eight-year period.

Special sensitive products, however, will preserve their current tariffs for three years, and will then undergo a tariff reduction process that will eliminate tariffs in 13 years.

Concerning one of the most controversial issues of the negotiation — the traditional Chilean farm products of the so-called wheat group — Campbell said that tariff reduction will begin in the 10th year of implementation of the agreement, reaching zero level in the 15th year.

The official was optimistic about the progress of negotiations in the future.

"There are good chances for the negotiating team to announce a final agrement at the Cartagena summit," to be held between 19 and 21 March in that Colombian city, Campbell said.

The official added that no progress was made, however, in connection with the statistical tax, specific tariffs, and the so-called "draw-back" regime, which provides for the temporary admission of products that will be used for manufacturing exports.

One of the work groups on 13 March arranged a physical integration agreement between Mercosur and Chile, which Campbell said was "particularly important for Argentina."

He explained that the agreement will permit the country "not only to make progress toward integration with Chile but also sell Argentine products on the Pacific Ocean market."

Negotiations between Chilean and Mercosur representatives, which were held at San Martin palace, were initially scheduled for 12 and 13 March. However, negotiations had to be extended until 1900 on 14 March because of the difficulties hindering the agreements.

Jorge Herrera Vegas, Secretary or Relations with the Americas, emphasized that negotiations between Chile and Mercosur will undoubtedly succeed, because "they are the obstacle that must be surmounted in order to make progress in the negotiations between Mercosur and other Latin American countries and blocs."

"This agreement will be an example for all blocs in America and Europe," the official added.

Inter-American Affairs: Migration Conference Communique

PA1603144396 Mexico City NOTIMEX in Spanish 2045 GMT 14 Mar 96

[FBIS Translated Text] Puebla, 14 Mar (NOTIMEX) — Delegates from Mexico, the United States, and Central America agreed today to handle the region's migration phenomenon in an integrated fashion, to show respect for the human rights of immigrants, and to fight the organizations that traffic in them.

The joint communique issued today by the First Regional Conference on Migration, which delegations from 10 countries attended, affirmed that "migration has

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

potential advantages for the countries being left as well as for the destination countries."

According to a document distributed at the conclusion of the meeting, migration grew in recent years as a result of political and social factors, natural disasters, ecological degradation, population increases, trade barriers, and civil conflicts.

The final declaration was signed by immigration authorities from Mexico, the United States, Canada, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama who were present at the meeting in this Puebla State city.

The communique stresses the need to strengthen economic growth, to increase employment, to defeat poverty in the countries where migration is latent, and to immediately check the structural factors generating migrations.

The conference, which began with technical meetings on 11 March, was promoted by the Mexican Government and allowed the Central and North American countries to discuss and analyze the region's migration phenomenon.

In the meeting, the participant governments committed themselves "to treat the migration phenomenon in an integral and objective fashion and with a long-term vision that will consider both the causes and manifestations of migration."

The final declaration admitted that migration can represent a positive economic and cultural contribution for the countries of origin and the destination countries.

The delegations condemned the violation of the human rights of immigrants and committed their governments to protect immigrants, particularly women and children, to create awareness on respect for their dignity, and to counteract anti-immigrant attitudes.

Human rights will be respected based on what is stated in the Universal Declaration of 1948, independently of sex, nationality, race, religion, age, or migration status.

The delegates who met in this city 125 km east of Mexico City resolved to establish programs to cover the needs of the immigrants without legal documents under the custody of the authorities in each of the countries.

One agreement calls for the governments to exchange information and experiences on the migration phenomenon and to make consultations prior to the adoption of measures capable of affecting the region.

The delegations agreed to analyze their laws to facilitate legal migration and to expand technical assistance and training to fine tune investigations systems, the handling of evidence, and to try traffickers of immigrants.

The delegates also agreed to promote more efficient mechanisms to check the forgery of official documents.

The document noted the importance of creating awareness among the people about the negative effects of trafficking of immigrants "doomed to suffer human degradation, mistreatment, and abuses associated with this activity."

In the communique, the delegations acknowledged the work of the nongovernment organizations that are implementing assistance programs in favor of the immigrants and committed themselves to encouraging and complementing the efforts of these institutions.

The delegations announced they will hold periodic consultations to promote cooperation in specific issues and to propitiate meetings based on the experience of the Central American Commission of Migration Directors.

The participants decided to hold a meeting at the political level at the beginning of 1997 in Panama City and considered the possibility of inviting South American observers.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Cuba: Alarcon Discusses Meeting With ICAO

PA1303192696 Havana Radio and Television Networks in Spanish 0130 GMT 12 Mar 96

[Interview with Ricardo Alarcon, president of the National Assembly of the People's Government, by reporters Nidia Diaz from GRANMA; Irma Caceres from NTV; Javier Rodriguez from PRENSA LATINA; and Osvaldo Rodriguez from Radio Rebelde, with moderator Hector Rodriguez; in Studio 11 at Tele Rebelde in Havana — live]

[FBIS Translated Excerpt] [Rodriguez] Comrade Nidia Diaz.

[Diaz] Thank you, Hector. Good evening, Comrade Alarcon. During your stay in Montreal, did you learn whether the United States presented or found any evidence of the downing of the two pirate planes in alleged international waters? What evidence did Cuba present to the contrary?

[Alarcon] The truth is that the United States has presented no evidence before, during, or after my visit to Montreal. We referred to the specific evidence in our hands. As you know, the only objects or parts of the plane that were in the plane appeared in our waters 20 hours after the incident, on the morning of Sunday, 25 March. They appeared 9 miles from Cuban soil. That is, completely within our jurisdictional waters.

This was 20 hours later. We must take into consideration something called the Gulf Stream. This is a geographical phenomenon of nature that supposedly (?anyone who has attended) school in the United States knows about. It stretches from the south, that is, from the Gulf to the northeast [words indistinct].

Thus, an object appearing 9 miles off the shoreline probably fell at that same point. In other words, it fell several miles closer to the shoreline [words indistinct]. They presented absolutely nothing. In fact, we urged them to do so, because one of the paragraphs of a resolution that the ICAO [International Civil Aviation Organization] would adopt referred to this. This was natural: That they will try to find remains and material evidence when there are incidents or accidents. This is a task (?everyone) tried to fulfill.

We started to do this immediately. On the other side of the 12-mile limit, they also... [pauses] There was even an accidental entrance of one of the U.S. aircraft that was involved in search operations beyond the 12-mile limit, that is, within Cuban waters. They requested permission to pick them up, and we granted it. This was on Sunday afternoon. They were near our maritime limits. This occurred immediately after the incident, with all their resources, which are many — helicopters, launches, ships, planes, and [word indistinct].

On our side we found certain objects and presented them to international public opinion. They have found nothing yet in the area they claimed the incident occurred, outside our waters. The ICAO meeting was not to analyze details and evidence, and so on, but to decide what actions ICAO would adopt in relation to a Security Council request. All discussion at the ICAO council revolved around what kind of investigation to carry out.

The United States tried to reduce it, to limit it to the incidents that occurred on the afternoon of 24 February. We, as you know, insisted on the need to carry out a comprehensive analysis of the situation that led us to [words indistinct] the circumstances and the background, so on and so forth.

During the discussions, of course, we made reference to the [word indistinct] but that was not the time to analyze them. That is the work of the probing commission now.

[Rodriguez] Irma.

[Caceres] Alarcon: It has been said that at the UN Security Council there was an atmosphere of conspiracy against Cuba. What atmosphere did you find at the council of this organization?

[Alarcon] The truth is that [words indistinct] and I think this opinion is shared by many others [words indistinct] despite U.S. meddling, despite U.S. pressure [words indistinct] I had the singular opportunity to attend a discussion in which the most notable thing was probably to ascertain how many voices, how many delegations demanded an objective decision, a decision in keeping with ICAO regulations, that the council not be influenced by U.S. pressure.

You only have to compare the U.S. proposal and the Council's decision to see the dimensions, the significance of the discussion.

I believe they, at the Security Council, also tried to condemn Cuba. The United States tried to adopt a resolution which condemned us in full and which was completely unfair; it was unfair, but they did not get it. They did not get to the Security Council either. It seems to me they arrived in Montreal with the intent of rejecting the Security Council resolution.

The Security Council had asked the ICAO to conduct a complete investigation. [Words indistinct] the U.S. transportation secretary showed up there [words indistinct] saying what Cuba was trying to do at the assembly at that time, what had happened at the council, and what

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

they proposed the ICAO should do. I am going to mention the four main points.

First, to condemn Cuba [word indistinct] at the Security Council. They were unable to obtain Cuba's condemnation in Montreal either. Later on, the ICAO Council would have stated it [words indistinct] for the actions taken by our Armed Forces with regard to this [words indistinct]. That was the introductory part. The resolution part, they asked the ICAO to conduct an investigation to teach Cuba, to make Cuba understand and apply the procedures for intercepting civil aviation. They were not calling for an investigation. They already had a goal, an objective which was evidently one of prejudice and criticism toward our country. They wanted the report to be limited to technical aspects and to what happened the afternoon of 24 February.

You can compare that with what the ICAO approved, to make a thorough investigation of the incident to determine what happened and the technical aspects. Of course, they wanted Cuba to be condemned. [Words indistinct]

I attended a debate in which I did not hear one single delegation support the U.S. position that Cuba had to be condemned and that the scope of the investigation had to be limited or confined to what the United States wanted.

The list of those who insisted that we had to examine every aspect, all previous incidents was an impressive one. It included countries from all parts of the world. There were NATO countries, European countries, countries from our region, as well as Asian and African countries.

I believe the problem is that the United States has gotten into a difficult situation. This incident has absolutely nothing to do with international civil aviation. They tried, by using all their propaganda media, all their resources, to arbitrarily present this incident as if it were another case of an attack on civil aviation, on a passenger plane carrying passengers from one point of the planet to another, planes that were dedicated to normal and natural activities over which certain incidents emerged. It has occurred both in the East as well as in the West. But this is not the case with this incident.

[Javier Rodriguez] Alarcon, evidently Cuba was supported in that meeting by a large number of countries. I do not know if diplomatic discretion allows you to mention a few of the countries that shared Cuba's views and helped get the U.S. resolution to fail.

[Alarcon] I would say that to tell the truth [words indistinct] out of international decency, we were the ones who supported them because we are not members of the ICAO council even though they gave us every possibility to speak. I spoke [words indistinct]. We even participated in every phase of the Council's work. [Words indistinct] how the members of the ICAO council adopt a decision by themselves, without our participation in the approval of what they would finally adopt. I can tell you that there were countries that maintained a very clear position, which we have to appreciate just as the UN Security Council had been examining the situation with the PRC, for example.

The ICAO council was very categorical at the beginning of the meeting, in every consultation, and in every discussion. It would not permit an unfair decision to be made at the council. It required an investigation to be conducted just as the UN Security Council had requested, meaning a complete investigation.

We must also say that there were very interesting, correct positions adopted by other permanent members of the UN Security Council, mainly the Russian Federation and the United Kingdom of Great Britain and Northern Ireland. They participated very actively with great intellectual capability in the search for a text that was [words indistinct] none of these U.S. positions.

There were many countries from the Third World. There were African countries, such as Nigeria and Angola. Countries from Asia such as India and Pakistan. [Words indistinct] the entire world minus the United States. [Words indistinct]

None of them, none of them said the analysis of the factors, of the circumstances, of the background should be excluded. And several of them were extremely explicit and categorical when insisting on this. In our region's case, it is worthwhile to mention the statements by Mexico and Brazil stressing this point. That all factors and circumstances, and even the policies surrounding this incident had to be taken into account.

The delegation of Trinidad and Tobago made an impressive statement. It analyzed what should be included in the investigation into the incident. Its representative said that the probe must be comprehensive, that it should include everything. It should give full consideration to and analysis of all the elements in order to understand all the aspects, all the factors that led to the incident.

The United States [words indistinct] in any spoken language [chuckles] were opposed to the attempt to present [words indistinct] a surprising development that there was a lack of grounds or context, and that the mistaken action by Cuba had simply been an expression of arbitrariness, and so on, when there is so much evidence to the contrary, when there are documents

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

showing that this situation had existed for a long time, that they knew about this, that they had advised us about it, so on and so forth. [passage omitted]

To settle this, the only thing missing is that the United States comply with its obligations in keeping with the international civil aviation agreement. This agreement is very clear. Both the first paragraph of the prologue and Article 4 forbid airspace and aircraft from being used for objectives contrary to international civil aviation; that is, for objectives that could jeopardize the transportation of passengers, mail, or cargo. That is what civil aviation exists for, and not for anything else. I would say even more. The only thing missing is that the United States enforce its own laws and regulations.

There we showed a public document that President Clinton issued with great fanfare on 1 March. He had to invoke his emergency powers. Why? To ensure that those airports started to comply with U.S. regulations for the first time. Since when can a plane leave a Florida airport without a flight plan, head for a place other than authorized, and return later and say good afternoon and land, and do the same thing again in the future. It is inconceivable that some persons are accused of violating the regulations of their own country and continue to fly.

They even announce actions that they will be carrying out. This happens in south Florida due to the tolerance or complicity of U.S. officials, and this is genuine disorder, to use a local term, in an area that requires the fulfillment of specific norms because many lives could be jeopardized and major damage could be inflicted. I repeat, at that place, in this area, especially for U.S. citizens. They should look after those interests.

I imagine that the decisions that the ICAO council will make once it receives the report and once it settles the incident at the international level could give the U.S. Administration a little stamina, a small thrust to see if they ensure their laws are respected in that country.

[Caceres] Alarcon, what is the procedure that the ICAO council must follow once this investigation is concluded? I think that it has 60 days to do so.

[Alarcon] The council gave 60 days to the ICAO Secretariat General to draft a report. We think that the report or the investigation should have started as soon as Cuba reported it. This investigation must be exhausted but also swift. [passage omitted]

Any pilot knows that there are certain norms, even signals, and certain aspects that are identical regardless of the country, regardless of the geographic region and so on.

The ICAO has to be concerned, as it has been on previous occasions, when it is confronted with situations that adversely affect the security of international air navigation as is in this case. It is not because we put an end to the violation of our sovereignty on the afternoon of 24 February but because for many years a member country of the ICAO, the United States, has been allowing its airports and planes registered in that country to be used for things that are totally contrary to civil aviation purposes, therefore, adversely affecting it.

The ICAO could make recommendations, could express its criteria regarding this situation. That is what it should do. It is not a political organization and should condemn the U.S. authorities' abuses on this matter. It should condemn the vicious practice of using aviation for terrorism and subversive purposes. It should oppose the use of aviation for other forms of crimes, such as smuggling or drug trafficking.

It could be used as a basis for the ICAO to recommend future actions in other larger international forums, political forums.

[Hector Rodriguez] Javier.

[Javier Rodriguez] I understand that the commission designated by the ICAO will begin its investigation with a visit to Cuba. I am going to ask you if a date has already been set. We would also like to know how Cuba could provide the information to the ICAO. Would this involve a future visit to the United States or to the site of the incident?

[Alarcon] Yes. That is part of the previous question I did not answer. The commission is formed by a group of persons, who are supposed to have experience in international civil aviation matters. They are specialists. It is not a commission comprising several governments or government representatives. It is formed by technicians, specialists, people who are experts on the matter, who can understand and examine the problem. It will travel to Cuba, where it has been invited for a long time. Following the incident, our government invited the ICAO to send a delegation to Cuba immediately and, of course, to the United States. They are planning to travel to Cuba, and they will have the opportunity to review with us the circumstances, the data, the information that Cuba can provide.

Of course, as I said in my speech there, they have a great deal of work to do in the United States. They have plenty of information to seek and examine. They have numerous persons to interview, because I do not know of any place in which there is such an abnormal situation that makes it necessary for the President of the country itself to resort to his emergency powers to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

get the country's own regulations to be respected. In a normal, civilized country these things are observed, and there is no need for a president to make such a dramatic gesture as this to get these things to be respected.

This past week I was told they had sent notices to more than 30,000 pilots in the Florida area, warning them that violations of Cuban airspace would not be tolerated. It was like a trite remark. Laws exist to be respected. There is an abnormal situation there, which is part of the aspects, the incidents that must be investigated by the ICAO.

Following the meeting, we spoke with ICAO representatives in Montreal, and they told us that they do have plans to come here and speak to Cuban authorities. The commission will be coming here for the information we will gladly supply them.

It will also go to the United States, specifically Miami, to do what I believe is the fundamental task of its work, which will take them the most time, the greatest effort to unravel all this ... [pauses] I say it requires effort, because there is plenty of documentation, but they really need not go that far.

If you read the MIAMI HERALD edition of Friday, 8 March. Who do they interview? The chief of the gang, who says many things, including that he intends to keep doing it. By the way, this gentleman, who they are presenting as a civilian pilot [laughs], when asked if he feels guilty...[pauses]. There is a curious situation here. He is the chief of the gang, but managed to return home and speak in front of the television media in Miami. He flew away from our airspace.

When asked if he felt guilty, he answered: I am a soldier [previous four words in English], meaning I am a soldier. Soldiers are aware that they are running risks and so on. What does this have to do with civil aviation? There he was, talking like a brave man. He is a soldier, he is a military man. Of course, he is a military man. He was a member of the CIA; he was a mercenary. He has a long record of soldiership in the dirty war against Cuba. That is the essence of the so-called Brothers to the Rescue. [passage omitted]

[Hector Rodriguez] Go ahead, Osvaldo.

[Osvaldo Rodriguez] Alarcon, it has been said that Cuba will present all evidence, but some Cuban officials also referred to evidence that has not yet been made public. Will the ICAO also get that evidence?

[Alarcon] Of course, I will not speak in public of nonpublic evidence, but the ICAO will be given all the information that will help it reach a conclusion.

[Hector Rodriguez] Irma.

[Caceres] Speaking about civil aviation, the United States has insisted on the civilian nature of the aircraft that overfly and violate Cuban airspace. It has been said that those same aircraft, which the United States claims are civilian, were used in Vietnam or deactivated, but the United States offers rewards to those who down these aircraft when used by drug traffickers in Colombia. Do you have any information about this?

[Alarcon] There is a videotape played on a U.S. television program. I referred to it in the ICAO. It is not that the United States offers rewards. It has a $120 million per year budget, which is little more than twice the entire budget of the ICAO of the United Nations. This is to give you an idea of the magnitude. The goal is to destroy small civilian planes, because they are not military, but as civilian as those of Mr. Basulto; they are unarmed, as unarmed as those of Mr. Basulto, because I suspect they are linked to drug trafficking.

It is not that they offer rewards. They have military men, military installations in certain Central American countries, not just the one you mentioned. There are others, and they hope to expand it. This was the main news on the U.S. television network NBC — I will name it here because we, fortunately, do not have capitalist competition here; we do not have the problems they have with other networks — in its "Nightly News" program, anchored by Mr. Tom Brokaw, one of U.S. television's most prominent anchormen, on the 5 January 1996 edition. More than news, it was like a special segment within a newscast, and it deserved this treatment due to its importance.

There had been an in-depth investigation. Appearing on the program were U.S. generals, Pentagon under secretaries, officials of the U.S. Air Force, someone who produces a program in which the CIA is very active, according to Brokaw's transmissions and also some South American officers. There were images of one explosion after another. They claimed to have downed in mid-air so far this year 24 lightplanes whose flight plans were suspicious or who were suspected of links to drug trafficking. They simply fire at them, explode them, and destroy them; 24 destroyed in mid-air and about 70 of them on land. The video clearly shows explosions amid crops or amid a strip in a rural area of South America.

Not many restriction were complied with there; not many questions posed to the alleged drug traffickers.

An interviewer said: Mistakes will be made, innocent people will die, and the U.S. Government will be at least partially responsible for this. They do this not only to lightplanes registered as civilian planes. Of course, they do not ask many questions of the pilots; they simply shoot them down. Those that are not flying,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

those on ground are shattered, as was the case in the documentary, and this without asking many questions. I would further say, Irma, and I noted this to Mr. Pena at this meeting:

I truly do not want to judge whether this is wrong, whether this is a strong or drastic measure toward planes transporting drugs to the U.S. market. The United States is the main drug market; the main market for drug consumption. They go to South America to destroy lightplanes suspected of carrying drugs. No one knows how many innocent persons — as (Caton) Institute Professor Mr. (Ted Gannen Carpenter) has said — have been killed. There have been no Security Council or ICAO meetings. No one is interested in investigating this, because no U.S. citizen was involved, except for those who pulled the trigger. I am not going to judge the ethics or fairness of that policy. What I told Pena is that there is something which is very serious for the United States, in terms of consistency.

They themselves have said that a substantial part of these illicit drugs reach the U.S. market through the use of lightplanes or some planes that seem to be registered as civilian planes in certain countries. They spend 120 million [currency not specified] to destroy them outside the United States. Drug traffickers know they are taking this action and are devoted to seeing how they can find lightplanes that fulfill their task.

For years now, as lightplanes suspected of transporting drugs into the United States have been destroyed, a group of persons, a paramilitary group has entered and left U.S. airports without flight plans; without paying attention to the authorities; without answering any question. I don't have evidence with me to say that this group was engaged in such actions. I don't have any reason to question this. It is logical that the first thing that a drug trafficker would think is: On this route are the Yankees, the CIA, the Pentagon, there are certain weapons and cannons they could fire. I will move somewhere else. We read in the Miami press day after day that there are those who say: I come in and out without a problem, etc. Who can assure that these people, among other things, are not involved or have been involved for years or will do so in the future if there is a group of people who are violating the civilian aviation norms, which they [words indistinct] are not even punished; their license is not withdrawn, their communication radio is not even seized; they are not even questioned when they return after having mocked U.S. regulations.

This is therefore an expeditious manner to mock U.S. regulations. Then on one hand they merrily shoot down anyone whom they believe looks suspicious, and on the other they say: Ah, but not Brothers to the Rescue. They can come in here anytime they want, leave, and do whatever they please. I told the North Americans at the ICAO across the table that separated us that this was truly irresponsible, because they take extreme, strong measures against a few lightplanes, but tell a small group: You have a blank check to do whatever you want.

Since they lack morals and principles, I would seriously start having my doubts about these people. I would start investigating where they get the funds to buy the planes, to support themselves, because they do no work or very little work other than get involved in international air provocations. They must find the funds, the money somewhere, and since there is so much money in the U.S. drug trafficking business — 80 percent of drugs are consumed there. [sentence as heard]

I am not suggesting anything. I am simply saying that I would be very surprised if these people were not involved in the drug trafficking business as well. These gentlemen are supposedly doing humanitarian work.

[Caceres] It is another contradiction because they are civilians for Cuba, but they do not consider themselves civilians. It is condemned and not condemned. What I say is not what I do.

[Alarcon] Actually, drug traffickers, terrorists, and smugglers cannot seek the protection of the norms of international aviation. To do that you have to base yourself on what the Chicago Convention defines. There is a chapter entitled definitions which establishes what international civil aviation is. I will read it: Regular air service is provided by public transportation planes carrying passengers, mail, or freight.

Of course, illegal freight such as drugs or contraband would be inadmissible, and no plane in the drug smuggling business or in the provocation and terrorism business falls under this definition. On the contrary, for obvious reasons, those involved in that kind of business do not want to be reporting their activities; they are not going to tell the control tower of the airport they are using: I am going over there to drop two bombs. They are not going to say where they are going, like they do there, in Opa Locka.

They are going to change their flight plans, and they are going to do things that may risk the lives of those who are flying nearby and going about legitimate business.

I repeat, the majority of those using these air corridors near Havana, where the accident took place are Americans, who have the right to protection from their government. The government should be protecting them and not the crooks. They have the right to demand that their

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

government comply with the regulations in those airports.

A terrorist band is allowed to use airports and the airspace between the United States and Cuba for purposes that have nothing to do with civil aviation. By doing so they are threatening the lives, the security, and the rights Americans and other people have to freely travel through the air without problems of this kind.

[Hector Rodriguez] Osvaldo.

[Osvaldo Rodriguez] The international campaign on the downing of these two lightplanes on 24 February criticizes the Cuban response and terms it as exaggerated. Is it possible to demonstrate that the only way to interrupt a flight of this type is by shooting down the aggressors and that there is technically no other safe way to do it? Can this be proven?

[Alarcon] I do not think it can be proven. There are, in addition, instances in which the Americans have shot down planes. In this report I was telling you about, there is not one single case in which they have forced a plane to descend. I believe this has a lot to do with the attitude of the person piloting the plane. How could you speak about the excessive use of force when Basulto had time to return to Miami, to put on makeup, to show up before the cameras, and to brag about what he had done. We knew, our pilots knew on which plane Basulto traveled because he also identifies himself when he gets here. He uses the number of the Bay of Pigs mercenary brigade. It was because he left; he left Cuban airspace, and our companeros had the sufficient moderation. They acted with the sufficient forethought to allow him to leave and not chase him and punish him as it is done in other countries.

People are talking about civilian planes. According to the convention itself, according to the famous Article 3 bis, which has been talked about so much these days and which is an article that has required a sufficient number of signatures for its approval, it makes for very interesting reading. Article 3 bis states that countries must refrain from resorting to the use of weapons against civilian aircraft in flight. I am talking about civilian aircraft. That is what Article 96, which I already read, states; that is, civilian planes that provide regular public transportation of passengers, mail, or freight. There are no such obligations with noncivilian planes, with planes that are being used for inappropriate reasons, with planes that are being used for purposes that corrupt civil aviation operations. Even in the case of civilian planes, Article 3 first states that the use of force is not required but that this in no way precludes the rights and obligations of countries according to the UN Charter; that is, the right to sovereignty. It also states that all civilian planes are obligated to follow the orders given by the state over whose airspace the plane is flying.

There is something even more important. It has two paragraphs on the state in which that civilian aircraft is registered. That state has the obligation of getting all planes registered in its territory as a civilian airplane to obey the orders given by a state over whose airspace it is flying. It cannot violate the sovereignty of another state from the territory where it is registered. The UN Security Council spoke about Article 3 bis, but that article died under the [words indistinct] because the U.S. resolution did not refer to it. They were in such a hurry at the UN Security Council that they did not read Article 3 bis in its entirety. When they got to the third and fourth paragraphs, they said measures should be taken to prohibit the deliberate use of civilian aircraft registered in a state for any other purpose incompatible with the purposes established in the present document after saying that authorities must get planes to respect the sovereignty of neighboring countries. In this case of this group, they themselves [words indistinct] where they themselves tell us they are going there to do this.

They have violated our regulations and theirs. Accusations were made against them for violating air traffic regulations. The thing is that they never put things into practice. They have never implemented regulations. Had they done so, no one would have lost their lives on 24 February. No incident would have taken place if the gentleman who was in front of me at the ICAO, who is paid to serve as transportation minister, would have done what he had to do. The norm which I just mentioned should have been enforced. They simply had to enforce U.S. regulations.

They had to wait for the president to assume emergency powers to do what needed to be done in the first place. It seems we are talking about a country in which it seems the capital was moved from Washington to Miami, where the interests and pressures of a small mafia group prevent the laws from being respected. If you bear this point in mind, if they are civilians, why are they saying they are civilians? Where is the civilian part of the duty they are carrying out? Who has reserved a seat in an aircraft of this airline? Who has used it to send mail to a family member or to send flowers to a girlfriend? All these points are things that are normally done through civilian aviation in this world. Where were the passengers? [passage omitted]

[Diaz] Could Cuba close air corridors to U.S. aviation, as it has already warned? What factors could make Cuba reach that decision?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Alarcon] I have said in Montreal.... [pauses] First, I wanted to say it there and tell Mr. Pena in front of so many witnesses and at such an organization of the hierarchy and caliber of the ICAO because we had previously said many things in a more discreet manner, and they had said many things before in a more discreet way, and unfortunately the results are known to all. So there may be no room for doubt and so they cannot say afterward we have not warned them, I will tell them here in this interview that Cuba is the only country whose true, legitimate, civilian aircraft—that is, Cubana de Aviacion airplanes—cannot use U.S. air corridors.

I used the example of my own delegation, the delegation which was to participate in this very meeting of the ICAO. They knew I was headed for that meeting, and our delegation included the director of Cuban Civil Aeronautics, Comrade [words indistinct], specialists on the subject. They could have even made a small gesture of courtesy and allowed us the opportunity to pass through, but no. We were told no. We were told we had to go over the Atlantic and overfly the Bahamas and delay us an additional 45 minutes, waste more fuel, etc. They do this to all Cuban travelers or Canadians who come from Montreal or Toronto to Havana.

That same country tolerates airports being used by aircraft registered in the United States, in other words, U.S. aircraft, to attack Cuba. Furthermore, that same country prohibits direct flights between Cuba and the United States. What took place in this incident is very symbolic. Instead of truly forbidding, without all the fanfare and emergency acts, the illegal, criminal, and terrorist flights, they have instead prohibited flights allowing Cuban- American families to visit their relatives in Cuba and vice versa.

You can clearly see whose side the U.S. Government is on. It creates obstacles for normal civil aviation, complicates the transportation of passengers, mail, and packages, the reason why there is civil aviation, and yet it defends those who use aircraft from Miami for illegal purposes. No more peaceful, civilian-purpose, U.S. aircraft may depart from that Miami airport. These private aircraft also exist in the United States and conduct legitimate business to the benefit of the North Americans, many Cuban families or people of Cuban origin, and from the same airport these gangsters continued to depart. On top of that, that government has the gall to accuse us, to tolerate the attacks against Cuba, to discriminate illegally against Cuba by forbidding the use of airspace everyone else can use, to prohibit normal air communications, and, on top of that, intends to place itself in a position to which it cannot be entitled. I said, as you can well understand, this cannot last forever.

As you can well understand, any day we will.... [pauses] We do not plan to violate U.S. airspace. We do not plan to prescribe the entire medication, but we do plan to prescribe a dose of their own medicine so they can understand how a country feels when it is barred from using Cuba's three air corridors used by 400 flights, most of them from the United States, daily. The day we do that, we will be doing exactly the same thing they have been doing to us for many years. We can take this action the moment we consider it opportune. It is a sovereign decision of our government, and no U.S. aircraft, no type of aircraft, neither the large commercial airplanes nor the small airplanes, which are the majority, from then on can cross national territory. A dozen more or less cross every day to go to other countries; they, the provacateurs, are not this type; they are U.S. airplanes flying legitimately.

It must be left clear that this measure is one we would adopt when we judge it to be the most appropriate. We need to say also that we already had to do it once, in September 1995.

We advised them, and the U.S. federal aeronautical authorities warned the aircraft. Why was it necessary to do so? Because it had been announced amid the disorder originating from Miami that a flotilla of boats, planes, etc. would roam the area without permission, uncontrolled either by Miami or us.

Other planes, most of which are North American, could fly at altitudes at which small aircraft fly; this represents a hazard, because an incident could happen, and the aircraft's communications could be jammed by these people who use their radios for anything except normal air communications. This is why it was decided in September to close the airspace up to a certain altitude. Bigger planes fly at higher altitudes and, therefore, are not affected by this restriction. In other words, the very reality of these provocations, this abnormal situation, and this insecurity, already made it necessary once to close the airspace, and they understood. They had no objections and regarded the decision as very logical. They themselves took similar measures when in a letter addressed to 32,000 pilots they advised them not to fly in the Straits of Florida. They are concerned lest gangsters provoke an incident and affect other people. In other words, there are air safety measures involved.

The most important point is that we do not have to tolerate unilateral positions and the discrimination entailed in our lending services to the United States forever in an area where they not only do not lend us any services and enforce an embargo on us but do it in an area that is being used in the dirty war against Cuba. [sentence as heard] Of course, this is our chance

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to put an end to and correct all this, as well as to keep them from putting us in a situation where it would be necessary to take such a measure again.

[Hector Rodriguez] Javier.

[Javier Rodriguez] A member pilot of Brothers to the Rescue, Juan Pablo Roque, returned to Cuba a short time ago, publicly reported on the characteristics of this organization, and provided information coinciding with the impunity of this organization's activities in the United States. Cable dispatches are now reporting that the FBI is considering the possibility of arraigning or accusing Roque of conspiracy and murder for having come to Cuba and supposedly announcing the imminent arrival of the two lightplanes that were downed later. I would like your opinion. As it looks now, the individual who quit this group and returned to report the group's activities will now probably be accused of murder.

[Alarcon] First, that would be stupid, because it is not necessary for a person to travel to another country for one to know that a plane intends to violate a specific country's airspace; that information can be accessed by technical means. The Air Forces of the world do not operate on the basis that someone can transmit a message someone else is going to transmit. They operate on technical information received. Radar can locate the planes. Now, if they are truly looking for people guilty of crimes against civil aviation, the FBI does not have to go very far.

The FBI has Orlando Bosch living freely in Miami, and the FBI and the U.S. Attorney General's Office have described him at the time as the most dangerous terrorist in the Florida area and have declared him persona non grata. They have ruled that this person could not live in the United States, but President Bush, upon request from the Miami mafia itself and the same lawmakers who speak so much about the embargo and against the Cuban revolution, decided later to allow him to live in his home peacefully, although he has not been admitted legally into the United States. He has surely participated in the Miami- originated farce of provocations and demonstrations against Cuba and in favor of the embargo. In other words, if they are looking for someone who has been proven guilty of actions against civil aviation, they can spare the legal proceedings and the work.

If they want, I can send them the documents the Security Council drafted when we reported all of Bosch's activities three or four years ago. Everything is there in U.S. documents. I can send a copy to the FBI if they ask for it, or if the U.S. Interests Section is interested in receiving it. I am not very far away for this.

[Caceres] Hector.

[H. Rodriguez] Yes, Nidia.

[Diaz] Alarcon, let me broach another issue all of us really believe is very important. On 11 March, the White House announced that President Clinton will sign the Helms-Burton bill into law on 12 March at 1000 hours. Our question is: What is your opinion on the fact that, among other things, President Clinton has decided to sign this law a few hours prior to departing for Egypt, where he will participate as the head of a delegation from his country in an international conference on terrorism?

[Unidentified reporter] Pardon me, I want to add something; I want to add something more to this question. The signing will be done publicly with the participation, as special guests, of the leaders of the most recalcitrant groups from Miami.

[Unidentified reporter] Let me add something more to make a package of questions. I would like for you, Alarcon, to tell us your opinion on the fact that the bill will be signed on Super Tuesday, when the Republican Party holds elections in seven states, including Florida.

[Alarcon] The first problem they have is to make people decide to cast their votes on Super Tuesday or Super Wednesday. They spend a great deal of money to do this, and there are fewer and fewer Republicans or Democrats who decide to vote. Among other things, it is getting more difficult by the day to know what the hell interests a Democrat or a Republican. Every time a Democratic president, as President Clinton, makes so much noise to look as conservative as possible, as Republican as possible, I do not think it helps anyone a great deal, electorally speaking. There will be more Americans who will think that, if there are not many differences between one or the other, why bother to vote. On election day, Super Tuesday or Super Wednesday — whatever they want to call it — there are special sales in stores, special offers, public acts, where more people go instead of voting.

As for Clinton's trip, the truth is that I really do not know. I do not know if he is going there seeking Egyptian votes or some... [pauses] the United States has people everywhere in the world; it is the Tower of Babel. He perhaps wants to find a way to tie this trip to the election campaign. It is being speculated that the objective, the goal of the Egyptian meeting, is to consider the dangers of terrorist actions against the peace process in the Middle East. I do not know if anyone will ask Mr. Clinton when he gets there that he should lower his rhetoric, so that he will not look as if he is defending terrorists somewhere else, because it

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

weakens the coherence of the fight against international terrorism.

I wish him a good trip, a safe and happy trip. I hope he does not have to run into any plane violating international civil aviation; I hope that President Clinton will be able to enjoy the conference, that he will able to go there with his mail, his cargo, and his delegation. I hope that all of them will go to Egypt without being threatened by any gang member or terrorist violating the airspace. He is lucky, because the route to Egypt will not make him fly over the Caribbean. So, he will not be the victim of his own weaknesses; his own weaknesses will not threaten him.

As for the signing of the Helms-Burton bill tomorrow, I do not know if it is now called the Helms-Burton-Clinton bill or the Clinton-Helms-Burton bill. Don added his name to it [sentence as heard]. I do not know if the signing has a great deal to do with tomorrow's primaries. President Clinton is supposed to be a sure candidate for his party. So far, no other Democrat aspires to replace him.

I think the worst part of all is that, before attending an international meeting in which he will meet with other heads of state, the White House puts on a little show. This show is one way of telling those countries with whose leaders he will meet that the United States holds no respect for any country on this planet because its President takes the luxury of signing into law a bill he knows is in itself illegal. This is an action that no parliament in the world has ever been so low as to take. No parliament in the world has ever committed the folly of violating international law so grossly by attempting to legislate for other countries, in this particular instance, the whole world.

It is sad to see how irresponsibly they sided — in the case of the 24 February incident — with the malefactors, terrorists, and mafiosos who mounted this provocation against Cuba and the United States. On top of it, he gives this so-called law to 66 murderers of Punta [words indistinct].

When a person who is only a little serious signs such a law, he should lock himself up in his room. I don't know what he will tell other heads of state. Perhaps the others will tell him: Did you know that you have no authority over my country's commercial relations and that you cannot try other citizens just because you want to? This is the behavior of a crazy man like Helms, not a head of state who should appear to perform his duties more firmly. He should not lend himself to signing a thing like this.

They have excused signing the law as being due to negotiations with the Republicans, so that the President finally accepted the law. They introduced it in the context of U.S. strategy or response in the face of the 24 February incident. In the first place, not one declaration, not one sentence, not one word from President Clinton was found in the past, in which he made the special decision — as he did on 1 March — and used his special powers to give his critical opinion regarding this law.

On another occasion, I said he seemed like a youth plucking petals from a daisy, who says: Veto it, don't veto it; oppose it, don't oppose it. He spoke with a shyness that is okay from a youth in love, but a head of state is supposed to have some maturity. At age 50, one should not begin acting like a youth.

In other words, they never opposed, they were never capable of expressing what was the obligation of the U.S. Administration. They should have warned some irresponsible politicians in Congress that there are things that cannot simply be done, because he who attempts to do it may suddenly find himself at the International Court of Justice at The Hague, may find himself at the World Trade Organization. He may find himself in any international organization in which this absurd law telling the world how it should behave will not receive support.

I don't know if this move will get him votes. [words indistinct] we should understand, companeros, that when we talk about elections there, we are not talking about [words indistinct] voters [words indistinct] we are talking, above all, of money, of money, of dollars, of millions of dollars, hundreds of millions of dollars which the mafias, the criminals, the rich people have. If this gives them some extra dollars for more advertising, for buying more votes, etc., this is likely to have some electoral impact.

Now, I do believe.... [pauses] I want to take this opportunity. I don't know how much time we have left, Hector, because we have been talking for a long time.

[H. Rodriguez] We still have time.

[Alarcon] I [words indistinct] that this law [words indistinct] is being translated, and we must work so that all Cubans know it from memory, from the pioneers to the very last Cuban.

We should also say that it is well known around the world. Many people are now beginning to see it. A senator [words indistinct] not even at the plenum of the U.S. Congress. Since there was not any public hearings on it, since there were no true national debates on it, because there are little discussion in that democracy [words indistinct] as there is no end, many people

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are beginning to see it. The entire world must know it, because it is an example, unlike any other, of the arrogance, predominance, and despair over a failed policy. Since they have been unable to make the world blockade Cuba, since they have been unable to make people join the blockade, they now resort to something that is really crazy — sanctions, pressure, threats — of which we must not have any doubt will fail.

They will fail, because it is impossible to put them into practice. It will cost the Americans a large and incredible quantity of resources only by giving the opportunity to all the counterrevolutionary worms to use the American courts to accuse another government, another individual, any foreign company that invests in Cuba. This will mean tens of thousands of suits in the United States. Who is going to pay these attorneys? Who is going to pay these judges? Who is going to pay for all these papers? The average American with taxes.

One of the things these Americans criticize in the rightist campaigns is the fact that there are too many legal processes, too many judicial suits. They want to simplify life in the United States, because too many things adversely affect this aspect of Americans' lives. Well, they are going to increase this in proportions very difficult to foresee. Who is going to benefit? A handful of individuals who were not Americans when they left to go there.

In addition, it is a country in which, except for the Indians who have been forced onto reservations, besides these Indians, everybody else came from somewhere else. Everybody there comes from another country, and all of them had problems in their country of origin. Either their parents or their grandparents had them.

This is why Americans have so far had, have so far had quite rigid regulations. U.S. courts, the U.S. state, the U.S. Government do not go about defending the interests — whether they are legitimate or not — of American citizens if their problems started before being U.S. citizens. This is the first rule.

All American suits are included in a report that a special commission drafts every year for Congress. It starts by determining whether he was an American at the time of the incident and whether he continued to be one until, without interruption, today.

[Unidentified speaker] This was seen [words indistinct].

[Alarcon] I want to see what they are going to tell the Americans of other origins. Everybody — starting with Bill Clinton, followed by Jesse Helms, Robert Dole — all of them have their origin in other countries. They are going to say that there are two types of American citizens.

The Miami counterrevolutionary mafia has prerogatives that Italian-Americans, German-Americans, French-Americans, Sino-Americans, Vietnamese-Americans do not have. Why? They have said it: Many people will want to choose to use similar means in the future. Who can stop this? How are they going to concoct something that, not even during the McCarthy era... [pauses] How are they going to concoct this plot to deny entry to the United States not only to those who invest in Cuba but also to their men, their children, their mothers-in-law, their nephews, all their relatives, according to what the Helms-Burton bill stipulates?

I believe that this will lead to a situation that, on the one hand, will increase tension and contradictions with other countries, increase the legitimate reasons many Americans have not believed in their political institutions, not believed in the government system, to have another reason for despair and disbelief over a barely serious system.

For us Cubans, more than all this, I believe that there is something that is significant. It is significant. This why I was saying that every Cuban, every single little pioneer, must know this.

Never before, not even.... [pauses] the only point of comparison would be the Platt Amendment at the beginning of the century. When President Clinton tomorrow signs this legal monstrosity, he will be revealing to the Cuban people, not only those living today but the generations of Cubans to come, the most demoniac and abominable plan that ever became a law in the United States, because [words indistinct] against other companies or against other people, including ourselves.

We can all be accused by a worm living there of using one of his properties. Not only that but this law clearly establishes the conditions for lifting the blockade against this country, and they are very clear. This document clearly states the conditions for lifting the blockade.

In order to have normal relations between both countries, in order to renew trade, in order to resume family remittances, in order to allow family travel, it will be required that Cuba changes in a direction that, among other things, resolves the problem of the return of properties to all those who were not U.S. citizens, but were Cubans, and who lost them on 1 January 1959 or after. This law does not only include those who lost their properties due to the agrarian reform, the nationalization laws. Who lost their properties on 1 January 1959? We need not repeat this: Those who fled, the Batista supporters, the torturers. All those scumbags lost their properties that day.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Only on the day on which those people recover this country could the United States resume ties with the island. This would be done through a Congress-approved law, which a President, renouncing the basic prerogatives of his Constitution, abdicated to Congress. These were presidential duties until 1030 tomorrow.

In the meantime, this economic war against Cuba, this criminal blockade would continue to try to starve our people to death or kill them with diseases. This will be done until this country is returned to the landlords, exploiters, and Batista supporters, even them. [passage omitted]

[H. Rodriguez] Are there more questions?

[Caceres] Yes, please. Your own words made me think this way. You said that the U.S. capital seems to have moved southward. I was trying to formulate a not-so-practical question. You are an expert on U.S. society. How do you think tomorrow will go down in U.S. history?

[Alarcon] Well, perhaps as the day on which, at least with regard to its relations with the world, the capital was moved to Hialeah, a suburb of Miami where many of the people who left Cuba live. There, by the way, many people live who are having a hard time working in the factories in this Miami district.

I believe that this is an absurd and stupid message to our people, doomed to total failure. One must be very ignorant about history to imagine that one is a new Teddy Roosevelt, that one will impose a new Platt Amendment on Cuba, that one will intervene in Cuba, as they did at the outset of the century, and that one will also govern Cuba in this monstrous manner.

They are going to run out of ink signing laws, but here they will not impose on this people a return to that past. They would have to come here and fight here and lose here. They are also saying to the world that just as they allow those selfish interests of the counterrevolutionary worms to dictate U.S. foreign policy with regard to Cuba, they will attempt to have those same selfish interests dictate U.S. intervention — not only extraterritoriality. This represents an act of meddling and intervention in affairs that do not pertain to the United States. They have no right to do this.

The response of the civilized world — and the civilized world is the rest of the planet in the rigorous sense of the term — will be a rejection, will be not to observe this provision. That commentator.... [pauses] there are others, Javier, who stress this fact.

This means that for a prolonged period of time the United States will continue to maintain an absurd policy toward Cuba, because the Torricelli law was unable to prevent Cuba's commercial ties with foreign countries. This law deals with investments; the former dealt with commerce. Didn't we find other markets? Didn't we open ourselves to the world and find countries that would purchase our products and sell us essential products, in spite of the Torricelli law that has been applied for over three and a half years? The same thing will happen with this law, because the United States cannot, it never could, lead the world as it could not do in times of the Cold War.

In today's world, on the contrary, the great problem of the North Americans is how to compete with that capitalist world, how to face competition from other economies, which in some aspects are more dynamic, are making technological progress, and are displacing U.S. production.

In a world currently characterized by competition among capitals, it is absurd to think that they will get this entire world to kneel before Mr. Helms, to ask him to forgive it, and to obey his orders, even though President Clinton [words indistinct] yes. Exactly the opposite will occur. There could be an immediate, negative effect for accepting being good people. [sentence as heard] The main message for the world is, however, that Americans are not going to normalize their relations with Cuba for the time being.

[Words indistinct] which means that at an appropriate moment for other countries and for other investors, they are going to establish relations with the Cuban market. They will invest in Cuba. U.S. competitors will not come, but that is their problem.

But they are not going to be able to treat the world as if it was a military camp, put other sovereign states in prison, and impose U.S. will. We will see. [passage omitted]

[H. Rodriguez] It seems there are no more questions. Finally, isn't the United States, its image, sending a message to the world [words indistinct]?

[Alarcon] Well, I don't know if the world will observe that recommendation. [laughs] As I said, I think they are sending a very clear message to the world. They see Cuba with the eyes of an annexationist of the past century, as a country which they are attempting to direct. It is up to the Cuban people to reject all attempts, and, of course, such plans will never come about. To top it off, they are now telling the entire world that they meddle in the world's affairs and dictate the world's behavior.

He has not yet signed the bill into law, and there are already quite a few and distinguished statemen from this world, from countries very close to the United States,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

who have clearly stated this is unacceptable and that they will not tolerate it.

The message may be, here I come again! Here comes the U.S. President, U.S. Congress to face mockery, to face isolation, to face a bad position in the eyes of the rest of the world. It may be a great superpower but it is acting in a very irresponsible manner, showing a lack of wisdom, which is not a sign of strength but of evident weakness.

Haiti

Haiti: U.S. Denied Right To 'Influence' Cuban Relations

PA1503200196 Port-au-Prince Signal FM Radio in Creole 1230 GMT 14 Mar 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] The Dominican foreign minister has described President Rene Preval's visit to Santo Domingo as historic, as it is the first time in 60 years that a Haitian president has visited the Dominican Republic. He said that this visit has taken relations between the two countries to a new level. The foreign minister told reporters that Dominican and Haitian leaders discussed several important issues, including commercial exchanges between the two countries.

Haitian Foreign Minister Fritz Longchamp believes President Preval's visit to the Dominican Republic bears witness to the political willingness of the two heads of state to move forward in their relations. Longchamp said on 13 March that his country has also taken a stand on the Helms-Burton law, which the United States hopes to use to reinforce the commercial embargo on Cuba. He told reporters that the United States will not be allowed to interfere in Haitian-Cuban relations. Longchamp added that he does not believe that the United States has the right to interfere in Haitian-Cuban relations:

[Begin Longchamp recording, in French] The measures that the United States has taken against Cuba are not new: The U.S. Congress approved the so-called Torricelli law about five years ago. The international community condemns the extraterritorial nature of this law in the UN General Assembly every year. While Haiti has no comment on U.S.-Cuban relations, Haiti does not believe that the U.S. Congress has a right to influence Haitian-Cuban relations. [end recording]

Haiti: President Returns From Dominican Republic

PA1503194896 Port-au-Prince Signal FM Radio in Creole 1230 GMT 14 Feb 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] President Rene Garcia Preval and the delegation that he led on a two-day visit to Santo Domingo returned to the capital on 13 March. Rene Preval and Dominican President Joaquin Balaguer issued a joint statement at the national palace in Santo Domingo on 13 March, stressing that peace and democracy in both Haiti and the Dominican Republic are key to strengthening relations between the two peoples on this one island. The document recognizes the need to develop guidelines for cultural, technical, scientific, and commercial exchanges between the peoples. They committed themselves to the principle of mutual nonintervention in the internal affairs of either country, a principle found in several UN and OAS agreements. The heads of state stressed the need to develop a solution to the migration problem within international guidelines. They discussed the problems that some Haitians living in the Dominican Republic face, including pressures that some human rights organizations have described as discrimination. They described this major historic visit as a positive step toward improving relations between the two countries and peoples.

Haiti: More on Preval's Dominican Visit, Joint Statement

PA1503202696 Port-au-Prince Signal FM Radio in Creole 1230 GMT 14 Feb 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Haitian President Rene Preval and Dominican President Joaquin Balaguer issued a joint statement on 13 March, committing both countries to stronger bilateral relations within a new institutional framework and a newly formed mixed commission of public and private sector representatives from both Haiti and the Dominican Republic to be chaired by the foreign ministers of both countries. The statement hails the creation of the Association of Caribbean States and plans to form a free trade area in the Americas in the year 2005.

The statement calls on Haiti and the Dominican Republic to coordinate efforts to step up the fight against terrorism, drug trafficking, and money laundering. Balaguer reaffirmed his government's willingness to restore relations with Haiti and to identify and resolve problems that poison...[pauses] prevent Haiti and Santo Domingo from truly establishing friendly relations. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Preval promised to remain patient [words indistinct] President Balaguer and he hope that relations between the two countries will be good. Preval will remain patient (?enough) to wait for the fruits this meeting can bring to both Haiti and the Dominican Republic:

[Begin Preval recording, in French] We must exercise patience and good judgment. We will jeopardize the process if we move too fast to achieve what we want to achieve. The articles in this document are consistent. We will get to know each other better through cultural exchanges. Our students and teachers will get to know each other better through academic exchanges. [end recording]

President Rene Garcia Preval made these remarks in Santo Domingo on 13 March.

He attended a working breakfast with five Dominican bishops at the Santo Domingo Hotel yesterday, tackling questions on relations between the two countries. Preval told the monks that the Dominican Catholic Church is permitted to deliver aid while Haiti is in its transition process. He also noted that the church has a big influence on his country.

Monsignor (Prado Teada) announced that the Dominican and Haitian Episcopal Conferences will meet 11-12 October 1996. He added that they will celebrate a eucharistic mass, as 1996 is the year of unity between the two peoples.

The Madre y Maestra Pontifical Catholic University rector said: We can and want to reunify the two countries. He reported that the two episcopal conferences will establish a pastoral center with Pope John Paul II's support. The center will work with Haitians living in the Dominican Republic.

Haiti: International Privatization Conference Continues

PA1503221596 Port-au-Prince Signal FM Radio in French 1230 GMT 15 Mar 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] The International Conference on Privatization continues today at the Christopher Hotel, in Port-au- Prince. The theme of the conference is: Union Activities Versus Privatization. The conference is part of the dialogue among those directly or indirectly involved in Haiti's economic reform. Five unions are sponsoring the three-day conference, which ends on 16 March. Gesner Jean-Philippe and Jean-Claude Lebrun organized the conference, which includes among its participants representatives of the International Confederation of Free Unions; CISL, of Canada; the National Confederation of Haitian Teachers; and the Federation of Haitian Electricity Workers. Speakers yesterday reviewed the history of the structural adjustments program, the objectives of this program, and the consequences of implementing the structural adjustments program in Latin America and the Caribbean. Speakers today will address the themes: States [words indistinct] Versus Requirements of International Sponsors, Democratization of State-Owned Enterprises, and Privatization Versus Haitian Law. Speakers will relate the experiences of other countries and will consider alternatives to the structural adjustments program. Speakers will also discuss modernization of state-owned enterprises and possible alternatives.

Haiti: Official Considers Work With Dominican Legislators

PA1503221696 Port-au-Prince Signal FM Radio in French 1230 GMT 15 Mar 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] Chamber of Deputies President Fritz Robert Saint-Paul has reported that following the Haitian head of state's visit to the Dominican Republic, Dominican and Haitian legislators intend to unite through a joint commission to review some of the problems that both Haiti and the Dominican Republic face. Saint-Paul said that Dominican senators and deputies hope that the two parliaments can develop a healthy friendship without rhetoric [words indistinct] between the two countries without difficulties. He explained that Haitian legislators will examine in the coming days the bilateral agreement worked out during President Rene Preval's visit to the Dominican Republic:

[Begin Saint-Paul recording] Some of our deputies met Dominican senators in the Dominican Senate. The Dominican Chamber of Deputies president was told of the delegation's arrival after the fact; thus, he was unable to contact deputies scattered all over the country. Only a few deputies were present [words indistinct] is that on the side of the Dominican parliament, the people showed an interest in the positive development of Haitian-Dominican relations without rhetoric. Each side has acknowledged that their own country has experienced difficult times in the past. However, they consider that it was, if you wish...[pauses] There were occasional turns of events, some even violent. Of course, this violence proved useless. There was even the question of whether a mixed Dominican-Haitian legislative commission could follow up on some of these cases. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Haiti: President To Deliver OAS Papers During U.S. Visit

PA1503221796 Port-au-Prince Signal FM Radio in French 1230 GMT 15 Mar 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Foreign Minister Fritz Longchamp introduced into the Senate on 14 March a draft amendment to the OAS Charter. Longchamp delivered the draft amendment to the senators ahead of the Haitian Government ratifying it. Longchamp's letter to the Senate stresses the importance of the amendment, especially (?because) the latest decisions will be adopted at the next general assembly. President Rene Garcia Preval will deliver ratification papers on 18 March, during his visit to the United States. [passage omitted]

The Haitian foreign minister stressed that various state powers must cooperate to ensure that provisions of the 1987 Constitution are implemented. Longchamp said that the amendments were drafted to help the OAS fill its mission as quickly and effectively as possible. Thus, this will allow the hemispheric organization to reinforce its actions in favor of development and reinforcement of the state of law in the area. [passage omitted]

Haiti: President, PM To Tour Department of South

PA1503221996 Port-au-Prince Signal FM Radio in French 1230 GMT 15 Mar 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] Haitian President Rene Garcia Preval and Prime Minister Rosny Smarth will lead a delegation on a tour of southern Haiti today that is expected to last through the weekend. Preval will visit Canal Abzak, Fond-des-Negres, the Les Cayes plain, and the Saut-Mathurine Hydroelectric Power Station over the weekend. The president will spend time in the Department of the South, where he will meet peasants and local officials on boosting agricultural production in the region. We should remember that the head of state visited Artibonite Department last week and met officials from the Organization for the Development of the Artibonite Valley on boosting rice production. [passage omitted]

Haiti: Former President Avril Leaves Colombian Embassy

PA1503202496 Port-au-Prince Radio Metropole in French 1400 GMT 15 Mar 96

[FBIS Translated Text] Former President General Prosper Avril has left the Colombian Embassy in Haiti. Avril is returning home after more than three months in the Colombian Embassy.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Canada, Mexico Hold Talks on Helms-Burton Law

PA1503140796 Mexico City NOTIMEX in Spanish 0341 GMT 15 Mar 96

[FBIS Translated Text] Monterrey, 14 Mar (NOTIMEX) — Authorities from Mexico and Canada are holding conversations to adopt a joint position regarding the Helms-Burton law in their position as NAFTA members, a high-ranking Mexican offician today said.

Ildefonso Guajardo, senior official at the Foreign Relations Secretariat (SRE), has stated that actions against this U.S. law, which contains extraterritorial provisions, will be taken internationally and before the U.S. judicial system.

The Helms-Burton law reinforces the U.S. economic embargo against Cuba as a penalty for the downing in February of two civilian aircraft by fighter planes from the island, which cost the lives of four Cuban expatriates. This legislation contains measures of an extraterritorial nature.

The legislation establishes penalties against businesses that trade with Cuba and authorizes suits against foreign investors and firms that "trade" properties confiscated by the Cuban Government of President Fidel Castro.

"We are working with Canadians and other countries of the world that have the same opinion (about that law)," Guajardo told the press after presiding over the monthly meeting of the National Foreign Trade Council (Conacex) in the northern Mexican city of Monterrey.

"The Helms-Burton law has an extraterritorial application, and it must be fought internationally and (as regards) the effects it may have within the U.S. judicial system," he expressed.

He added that the legislation contains specific implications that the SRE, which will devise strategies to protect national businessmen, is analyzing.

Mexico yesterday requested participation in the consultation Canada requested with Washington on the effects of the law in its commercial exchange with the United States, whose government believes that this legislation does not violate international commercial commitments.

Mexico: Nation To Support Free Trade During Cartagena Summit

PA1503233396 Mexico City NOTIMEX in Spanish 2018 GMT 15 Mar 96

[FBIS Translated Excerpt] Mexico City, 15 Mar (Notimex) — Mexico will maintain its position in favor of the confirmation of a continental free zone during the coming trade ministers summit scheduled to take place in Cartagena de Indias, Colombia, official sources confirmed here today.

Sources at the Commerce and Industrial Development Secretariat [Secofi] pointed out that during the meeting, which is scheduled to take place from Monday to Thursday during this coming week, Mexico will also make a pronouncement in favor of following up with the agreements made during the past summit that took place in July 1995 in Denver, Colorado.

"Cartagena represents the second occasion on which free trade continental agreements will be sought. Reaching an agreement will be difficult, but we will seek as much progress as possible in the negotiations," the same sources added.

During the past few years, Mexico has become one the strongest advocates of free trade agreements, a fact reflected in its agreements signed with the United States, Canada, Chile, Colombia, Venezuela, and Costa Rica.

In addition, it is currently engaged in trade negotiations with Nicaragua, Panama, and the group known as the Northern Triangle (Guatemala, El Salvador, and Honduras), established to ensure Central America's commercial independence.

Furthermore, the next meeting will provide continuity to commitments adopted by the presidents and heads of state of America during the past summit, which took place in 1994 in Miami, Florida, to create a continental free trade market. [passage omitted]

The final declaration issued at the conclusion of the Denver meeting stipulates that the creation of a Free Trade Agreement Area of the Americas (ALCA) will be based on existing subregional and bilateral agreements "that will thoroughly examine and increase regional integration."

According to agreements already adopted, the ALCA should be ready to begin operating by the year 2005, and will give rise to the largest commercial market in the world that includes 800 million potential consumers.

During the Colombian summit, representatives from 34 American countries will listen to reports that will be presented by the seven work groups commissioned during the Denver meeting.

Mexico coordinated the issue dealing with health; Bolivia was responsible for customs procedures and rules of origin; Canada, for standards and technical barriers to trade; Costa Rica, for investments, and El Salvador, access to markets. [passage omitted]

At the end of the summit, the ministers representing 34 countries will sign a joint communique that will include

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the results of the meeting and a date for a follow-up of talks.

One of the topics that will elicit more interest is related to Mexico, the United States, and Canada's experience with NAFTA, which has been in effect since 1 January 1994 and includes a potential market of 360 million individuals. [passage omitted]

Secofi Secretary Herminio Blanco declared that within the first year of the agreement, Mexico has increased its exports by 20 percent. Furthermore, the agreement was "part of the solution to the crisis" that shook the country in 1994.

Mexico: Denial of Joint Military Exercises With U.S.

PA1803023896 Mexico City NOTIMEX in Spanish 0048 GMT 18 Mar 96

[FBIS Translated Text] Mexico City, 17 Mar (NOTIMEX) — The Mexican Foreign Relations Secretariat (SRE) denied today, 17 March, that Mexico will conduct joint military exercises with the United States.

The Mexican Foreign Secretariat made it clear in a communique that bilateral cooperation with the United States "does not in any way include joint exercises between the armed forces of both nations."

The newspaper media had reported on statements made yesterday, 16 March, in this regard by U.S. Defense Secretary William Perry.

In order to avoid misunderstandings, the SRE has asked the U.S. Embassy in this capital to provide accurate information on Perry's statements, the communique stated.

The communique also stated that, "The uncompromising basis of our cooperation with that and other nations is the strict respect for the sovereignty of states and the principle that only our Armed Forces can operate in our national territory."

The SRE noted that the nature and the extent of the cooperation in military matters between both countries was discussed during the visit Perry paid Mexico in October 1995.

Such cooperation, the communique stated, is channeled through a bilateral working group comprising the SRE, the Defense Secretariat, and the Navy Secretariat with their U.S. counterparts.

The first meeting by the group was held in San Antonio, Texas on 4 December 1995, the communique noted.

Military cooperation between the two countries is exclusively limited to the modernization of equipment, training courses, and the academic exchange of officers, the communique added.

The communique added that both countries also cooperate to improve support for the authorities tasked with the fight against drug trafficking and assistance to face natural disasters.

The SRE said the bilateral working group that handles these topics "does not contemplate carrying out joint military exercises or operations."

Mexico: Disputes With U.S. Cause Export Losses

PA1803024596 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 13 Mar 96 p 9A

[Report by Gustavo Sauri]

[FBIS Translated Text] Twenty-six months after the implementation of NAFTA, Mexico has not been able to resolve commercial disputes with the United States. These disputes have caused losses of approximately $1.6169 billion a year to Mexican exporters.

Old disputes, such as the one involving the cement industry, have entailed losses of $1.176 billion a year in foreign exchange that is no longer entering the country. The same has occurred with the trade of tuna, a product that has entailed losses of $60.9 million.

The restriction on the trade of avocados on the part of the United States has meant a loss for Mexico of revenues of at least $300 million each year.

According to an investigation by ANALISIS Supplement, based on information provided by the Chamber of Fisheries, Cemex [Mexican Cement], and ANIERM [National Association of Mexican Importers and Exporters], new trade problems have emerged in the nearly two years that have elapsed since NAFTA's implementation, including the recent cases involving tomatoes, brooms, mangoes, and pineapples, whose trade, as a whole, would mean revenues of $80 million.

In 1989, compensatory quotas of 60.33 percent were imposed on Portland cement and 59.91 percent on the clinker type, due to alleged dumping practices.

Back then, Mexican exports to the United States amounted to $156 million, the highest level reached after the average annual growth rate amounted to 42.6 percent between 1983 and 1989. Under those conditions, and if the growth rate prior to the quota had been maintained, exports in 1995 would have possibly amounted to approximately $1.311 billion.

The ruling issued in October 1992 by GATT — today's WTO — in favor of Cemex was not enough to lift the quota. For the second year of the current

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

decade, the company was close to ranking No. 3 as the worldwide producer, which demonstrated its capacity and competitiveness in the international arena. The main problem has to do with the fact that local exports covered 20 percent of the U.S. market and had reached a highly competitive status in the southern United States, where demand was on the rise.

However, the authorities of the country's leading commercial partner, even with the ruling against the multilateral organization, sought to negotiate the return of the collected taxes and voluntary export ceilings, and to reduce the pressure exerted by the Mexican Government. The process continues after six years, in which substantial losses were registered, in spite of the great need for foreign exchange.

The positive trend registered by tuna sales in the U.S. market became the decisive factor when, in August 1990, the entry of this product to that market was restricted for environmental reasons. In 1982, when exports amounted to $4.5 million, the potential of this product was not being considered. Seven years later, tuna sales reached their highest level of $47 million in exports in 1989. Again, nontariff trade barriers prevented exports from reaching the estimated level of $95 million last year.

The situation seemed to have a more favorable outlook five years later, in August 1995, when Mexican businessmen and government confirmed the small accidental catch of dolphins at a time when Mexico was ranked No. 5 as a worldwide producer.

There have been no specific advancements, and after measures against the restrictions were announced, the situation triggered the sector's decapitalization, the loss of 60 percent of operating capacity, and the deterioration of the tuna fishing fleet.

In contrast with the previous products, the avocado problem stems from the fact that it has been denied access to the U.S. market for approximately 80 years, despite meeting the plant and animal health requirements stipulated by the USDA. According to figures provided by Aserca [Support and Services to Agriculture-Livestock Commercialization], Mexico could sell approximately $300 million a year as it is the world's leading producer, with more than 7 million tons being produced a year. Of these 7 million tons, only 26 percent is consumed domestically. Another advantage is the large number of potential consumers in the southern states of the United States.

Last year, there were also signs of a possible solution. However, thus far, considerable losses in foreign exchange continue to take place because of the problems with export of this product.

Because of its magnitude, the problem of regulations might affect the export of tomatoes, which is the most well-known of all products since only in 1995, $429 million — 48 percent of its domestic consumption — were exported to the United States. Other products include brooms, mangoes, pineapples, and even sweet green peppers, which although significantly smaller, compared to those that have been exported to that market for a longer time and involve more resources — such as cement — are nonetheless important.

Thus, as old trade skirmishes have not been resolved, additional problems will arise to worsen Mexican-U.S. commercial relations, as has already been done by the resolutions adopted at the binational panels, and more recently, the implications of the Helms-Burton law, which violates the principles of the agreement.

Mexico: Regional Conference on Immigration Opens

PA1803013096 Mexico City NOTIMEX in Spanish 2015 GMT 13 Mar 96

[FBIS Translated Text] Puebla, 13 Mar (NOTIMEX) — Mexican Foreign Secretary Jose Angel Gurria has said Mexico rejects all forms of mistreatment or discrimination against immigrants and contributes with all nations of North America and Central America to the elimination of xenophobic attitudes.

During the inauguration of the First Regional Conference on Immigration in this city, located 125 km east of the Mexican capital, Gurria called upon the nations of the region to continue to respect the sovereignty of states and the human rights of all immigrants.

"Mexico believes that moderation and tolerance must be distinctive signs of international relations by the turn of the century. This is the outlook for the future, that is why we reject any form of mistreatment or discrimination toward foreigners," he said.

The chief of Mexican diplomacy said "the equilibrium between these two elements (moderation and tolerance) is fundamental in finding solutions that can be at the same time, efficient, fair, and realistic.

Gurria, when speaking to representatives of 10 nations from North and Central America, said the analysis of the immigration phenomenon must be focused in an integral and objective manner and with a long-term outlook, which will allow for a reduction of risks, hasty actions, and frictions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Mexican foreign secretary said that social development, the benefits of which can reach the majority of the population is, without a doubt, the most efficient way to a lasting solution to the migration phenomenon.

He also said it is necessary to include the immigration topic in wider and bolder programs in order to promote the growth of production and employment, as well as trade and productive investment in the region.

Gurria said immigration is one of the biggest phenomena of our times and practically no country or region escapes its dynamics. Currently there are nearly 100 million migrant workers in the world, he added.

Likewise, he said immigration is the result of complex structural factors such as the inequalities in the economic development levels among states, the labor surplus in certain countries, and the demand for labor in others.

The Mexican foreign secretary said "the commitment to find, by means of a dialogue, formulas for the treatment of immigration problems in keeping with our condition as civilized states that are sensitive to the interests and concerns of third persons must be strengthened."

He said, however, that the sovereign right of the nations to enforce their immigration laws and to protect their borders must be compatible with the systematic respect for human and labor rights of all persons.

"When you cooperate and fight the imbalances and inefficiencies caused by the flow of people, you can substantially encourage positive and favorable relations among states," he said.

The foreign secretary noted the importance of this first meeting because its results will serve as a starting point to strengthen communication and to define the basis for regional cooperation that can contribute to a more adequate handling of the immigration phenomenon.

He said the most urgent task of the nations of the region is to seek and implement mechanisms that can benefit both the countries of origin as well as those receiving the flows of immigrants.

Immigration is a problem shared by all. "That is why we must all cooperate to find solutions that can allow us to reconcile modern administration of our borders, that can facilitate the free passage of goods and services, with the priorities of each nation," he added.

In his speech opening the conference, Gurria said we must fight against the networks for trafficking in illegal aliens and against forgers of official documents.

In the meeting, which will end in this city tomorrow, 14 March, participants from the United States, Canada, Mexico, and Central America were present as well as those from various international organizations.

The U.S. delegation is headed by Doris Meissner, commissioner for the Immigration and Naturalization Service, while the Canadian delegation is headed by Georges Tsaj, assistant deputy minister for Citizenship and Immigration.

Delegations from Belize, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama are also participating in the conference, all of them headed by acting deputy ministers in charge of immigration topics in their respective countries.

Mexico: Official on Conflict With Helms-Burton Law

PA1503221896 Mexico City NOTIMEX in Spanish 0223 GMT 15 Mar 96

[FBIS Translated Text] Mexico City, 14 Mar (NOTIMEX) — Today, an official from the Commerce and Industrial Development Secretariat (Secofi) said that NAFTA forbids the United States from punishing Mexican companies that negotiate with Cuba. Raul Ramos, Secofi's industry and foreign trade regulations and services under secretary, pointed out that the treaty clearly forbids the establishment of unjustified trade barriers.

On 12 March, the United States signed the Helms-Burton bill into a law to toughen to the embargo on Cuba. This law stipulates punishments against companies that conduct trade or investment businesses with Cuba.

In an interview granted at the end of the seminar "New Iron and Steel Industry Techniques," Ramos pointed out that he does not know if there is a "black list" of Mexican companies that could have problems with the implementation of the Helms-Burton law.

The official refused to make conjectures about something that has not occurred yet; however, he stressed that, in the treaty, "there are a number of regulations regarding exports and investments limitations." He added that "the treaty has a standard that gives rights to our companies allowing them to defend their access to the U.S. market."

The United States signed the Helms-Burton law to retaliate for the Cuban Air Force's downing of two lightplanes with U.S. registration numbers belonging to the organization Brothers to the Rescue, which opposes the Cuban regime. The incident left four people dead.

The United States said that the planes were flying over international waters, and Cuba affirmed that they were in Cuban airspace.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico and Canada, the NAFTA partners of the United States, have voiced their rejection of the Helms-Burton law, which toughens the economic embargo on Cuba.

Mexico: U.S. Explanation of Helms-Burton Law Urged

PA1603005596 Mexico City NOTIMEX in Spanish 2112 GMT 15 Mar 96

[FBIS Translated Text] Mexico City, 15 Mar (NOTIMEX) — The United States must specify the extent of the Helms-Burton law, so that we can establish if it will affect the Mexican business sector and proceed in accordance with NAFTA, it was disclosed here today.

In statements to a local radio station, International Trade Negotiations Under Secretary Jaime Zabludovsky, explained that immediately after President Bill Clinton signed the law, the Governments of Mexico and Canada requested formal consultations as per provisions stipulated in NAFTA.

"During these consultations, we would like the U.S. Government to explain the scope of this law and how it intends to implement it, because there are several dispositions that are still not too clear," Undersecretary Zabludovsky stipulated.

Thereafter, the Mexican international trade official added, "we will have a clear-cut view whether it will affect Mexico's industrial sector, and if this is the case, then we will proceed in accordance to what is stipulated in NAFTA."

The official explained that the Free Trade Agreement, which benefits nearly 360 million people, foresees the possibility of summoning one of the parties to the agreement when there is a measure that affects the agreement or the way it operates.

NAFTA and other international organizations such as the WTO include international dispositions that at any given time can be invoked to assess the consistency of a law with the measures and obligations agreed upon by the United States, he pointed out. The official remarked that "consultations are the first step to solve the controversy. If during the process of consultations it is determined that there has been a violation to the agreement, the differences-solving mechanism can be invoked, whereupon an international panel will review the case."

"We have just requested the consultations this week. In general, there is a time period established by NAFTA indicating that consultations must be carried out 30 days following the request, and there is a very strict time limit for that," he stipulated.

Mexico: Zedillo Opens Banking Convention in Cancun

PA1803044096 Mexico City XEW Television Network in Spanish 0400 GMT 16 Mar 96

[FBIS Translated Text] President Ernesto Zedillo said during the opening of the 59th Banking Convention in Cancun: The challenge of Mexico's economic policy consists of attaining full recovery and turning it into sustained growth.

[Begin Zedillo recording] We must admit that we are in a transition stage between a strict and immediate control of the crisis and the beginning of recovery. This explains why there are still some lingering signs of fragility and some instability. [end recording]

In the presence of more than 1,000 local and foreign banking leaders and delegates, business leaders, and Mexican Government officials, Zedillo announced that he will send to the Congress a bill proposing to standardize the opening of retirement fund management corporations, known as AFORE's.

[Begin Zedillo recording] The bill proposes to regulate management corporations, whose creation will be authorized to persons or legal entities which comply with legal requirements on financial experience, moral uprightness, and capital. [end recording]

In the framework of the banking leaders' meeting, Zedillo responded to a persistent demand from the society. He announced that next week he will send to the legislative chamber several proposals to combat organized crime more effectively.

[Begin Zedillo recording] To put an end to the privileges that obsolete laws give to criminals, to keep criminals from relapsing, and to put an end to the impunity of criminals. [end recording]

Jose Madariaga Lomelin, president of the Association of Mexican Bankers, admitted that the programs to aid debtors are limited. He explained, however, that it has been necessary to focus the program's attention on realistic solutions to keep the financial system away from risk because the money lent to some people belongs to others.

[Begin Lomelin recording] The overdue loan portfolio increased from 53 billion pesos in December 1994 to 137 billion pesos as of December 1995, the last quarter for which we have official figures. Unlike on previous occasions, the present overdue loan portfolio includes customers with debts of all sizes. [end recording]

Also during the banking convention, Finance Secretary Guillermo Ortiz Martinez said: Mexico rules out tem-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

porary growth because the country demands gradual recovery to initiate a developmental stage. He also said that past experiences should not be repeated because previous attempts at artificial growth led to serious distortions that resulted in high social costs. We will grow with balanced public finances and consistent policies, he added.

In turn, Bank of Mexico president Miguel Mancera Aguayo reviewed the country's public finances with the most important economic indicators and refuted some analysts' view that the inflation level for 1996 will be higher than 20.5 percent. Mancera said the Alliance for Economic Recovery's goals have not changed.

Lawrence H. Summers, U.S. under secretary of the Treasury, expressed confidence that Mexico will attain a steady economic growth rate in the coming years provided the Mexican Government continues to apply discipline in the management of public finances, steps up the fight against corruption, and acts with a long-term vision. Summers also warned about the risk of excessively protecting deposits in the banking system. He even suggested that inefficient banks should close down.

Business Coordinating Council President Hector Larios Santillan defended the role of banks, which he said have also fallen victim to the crisis. He pointed out that the solution of the debtor enterprises' debts is in recovering the demand and reactivating the economy.

Other speakers included Hernan Sommerville, president of the Chilean bankers; Spanish bankers delegate Ana Botin, and Eduardo Fernandez, president of the National Banking and Securities Commission.

In the ceremony to open the banking convention, Zedillo was also accompanied by the secretaries for agriculture, social development, environment, agrarian reform, and tourism, as well as the governor of Quintana Roo. The convention will be closed by the finance secretary tomorrow.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

El Salvador: Report on Efforts Against Criminal Activity

PA1703145196 San Salvador EL DIARIO DE HOY in Spanish 16 Mar 96 p 2

[Report by Martha Elena Ibarra]

[FBIS Translated Text] In light on the continuing increase in criminal activity, yesterday, the government proposed the adoption of special measures with the enactment of the Emergency Law Against Criminal Activity and Organized Crime.

Following a public workers' strike that took place in Usulutan, the three branches of the government gathered at the Presidential Palace to outline details of two new laws that will be presented this Monday before the Legislative Assembly for their rapid passage.

President Armando Calderon Sol stated that the Emergency Law is an instrument that will facilitate the investigation of crimes and simplify all police and legal steps "to put criminals in jail."

Calderon said that the Emergency Law, which will be presented before the Legislative Assembly by the ministers of security and justice, is intended to be a provisional instrument. "We anticipate that it will be analyzed and approved rapidly by the deputies," the president remarked.

To Be in Effect for Two Years

According to Justice Minister Ruben Mejia Pena, the bill proposal is aimed at countering the increase in criminal activity with provisions that will expedite legal procedures.

The special measures, which will be applied as part of the penal system and the Juvenile Delinquent Law, will initially be in effect for a two-year period.

Crimes incorporated into the Emergency Law include those that represent the greatest threat to society such as manslaughter, homicide, rape, extortions, kidnapping, and other criminal activities related to corruption.

Together with those crimes already defined, new guidelines have also been established with the redefinition of penal obligations to be carried out by officials involved in the administration of justice.

Abuses and inappropriate mediation by justice officials during trials with the intention of deceitfully distorting or deviating from justice procedures in criminal cases will be penalized.

An unprecedented penalty now incorporated into the new law is related to that of procedural fraud, which will be used in cases involving judicial, administrative or police officials.

"The provision is generic in its sanctions regarding judges, officials from the prosecutor's office, police or anyone who fraudulently intervenes in a penal procedure," Mejia Pena explained.

Likewise, the special legal system now contemplates the admission of all legal evidence without exclusion.

Confessions made voluntarily before an attorney, even if made out of court, will be considered as legal evidence. "What invalidates a confession is evidence showing that it was obtained by means of duress or force," the minister stated.

Another modification includes jury suppression. President Calderon pointed out that the jury will now be replaced by a public preliminary hearing before a judge, where the parties involved will be entitled to present oral statements prior to the final verdict.

Severe Penalties

With respect to penalties, Mejia Pena stated that the objective is for all penalties, those that are already established as well as new ones, to be more severe.

Penalties for crimes determined to fall under the Penal Code may be increased by one-third of the maximum limit established by the code for each crime. The maximum penalty, 30 years, can be increased, but it will depend on the crime as well as on extenuating circumstances, the justice minister commented.

As relates to the Juvenile Delinquent Law, the justice minister said that minors subject to this law who are involved in serious crimes such as manslaughter, rape, or kidnapping will be sentenced to detention at special internment centers.

According to Security Minister Hugo Barrera, the age bracket for juveniles subject to internment will be between 14 and 18 years.

The maximum internment penalty for juvenile delinquents will continue to be seven years. In all other aspects, the juvenile delinquent law remains the same, the justice minister indicated.

Guatemala

Guatemala: Arzu Orders Investigation of Minugua Charges

PA1703132596 Guatemala City SIGLO VEINTIUNO in Spanish 13 Mar 96 p 4

[FBIS Translated Text] Government spokesmen Ricardo de la Torre announced yesterday, that Alvaro Arzu

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Irigoyen, general commander of the Armed Forces and president of the Republic, has ordered the investigation of charges that the Army has protected officers involved in criminal actions, which was reported by Minugua [UN Mission for Guatemala] in its fourth report. The spokesman said the internal investigation is expected, because the President asserted in his inaugural speech that his government will not protect any one involved in a crime, regardless of the institution to which he belongs.

The actions to be investigated, he added, include crimes such as car theft and drug trafficking, as well as others that have to be investigated by the ministers in their respective sectors. Thus, he stated, they have all started to stepping up their corresponding investigations. De la Torre said Minugua can rest assured that the investigations will be carried out, but it cannot ensure that the culprits will be punished, because that depends on the judicial branch. Answering a direct question on whether Minugua's charges could be viewed as the necessary evidence that the Army has been constantly requesting, De la Torre replied that they are regarded as such.

Government Minister Rodolfo Mendoza thought it important to stress that the Minugua report refers to actions that took place in 1995 and, thus, can be attributed to the previous government administration. He added that the report is valuable, because it will allow them to study the listed deficiencies and to correct them.

Stein: An Effort To Be Made by All the Institutions

On the same subject, Foreign Minister Eduardo Stein referred to Minugua's charges against the Army and said that *as a citizen and a patriot I would not want our efforts of improving the image of institutions and putting them back on a legal track to be viewed as if a specific institution is being persecuted. We are not singling out the public force, but are furthering this pursuit in all the fronts.*

He said it is also necessary to emphasize the responsibilities that correspond to each institution and recalled that the government minister had complained at a past cabinet meeting, that his office had arrested approximately 2,000 people, many of them caught red- handed, but the culprits had been released by the courts a few hours after their arrest.

Caal: Impunity Surpasses Military Administration

Army spokesman Guillermo Caal Davila argued yesterday, that the absence of justice is a factor that eclipses the administration of the Armed Forces itself and that it stems from the lack of financial resources and legal mechanisms to eradicate impunity.

Asked about the pressures allegedly exerted so that military and National Police personnel involved in crimes are not brought to trial, as mentioned in the Minugua report, Caal said this is something intangible and is not institutionally coordinated.

To eradicate such actions, he added, it is necessary to verify the procedures that require witnesses and judges to be protected, but do not provide the necessary allocationss to carry out such actions. He, however, observed that such a task would not be an Army responsibility.

The charges presented by the people who have been affected is not enough to fight impunity. It requires that the existent legal platform start to operate without taking into account whether the person charged is a civilian or a soldier; this is a factor that is deeply rooted in the armed conflict, the Army spokesman concluded.

Guatemala: Minister Views Possible Closure of UN Mission

PA1803022696 Mexico City NOTIMEX in Spanish 0001 GMT 16 Mar 96

[FBIS Translated Text] Guatemala City, 15 Mar (NOTIMEX) — Foreign Minister Eduardo Stein stated today that the possible closing of the UN Mission for Guatemala (Minugua) due to lack of funds would jeopardize the peace process in this Central American nation. Stein said that Minugua's absence would be counterproductive and produce a negative impact on the peace negotiations between the government and the Guatemalan National Revolutionary Unity (URNG).

The foreign minister emphasized that Minugua has been known for its credibility and for supporting the Guatemalan people and government in the observance of the citizens' basic guarantees. Stein trusts that the United Nations will come up with the funds needed to continue Minugua's mission in Guatemala.

UN sources in New York warned that the lack of funds has endangered several UN international missions, including the ones in Guatemala and Haiti. The United Nations is studying the approval of a $20 million budget for Minugua, which began in Guatemala on 22 November 1994 to verify the observance of human rights.

Minugua was set up in Guatemala to be in charge of the international verification process as part of the Overall Agreement on Human Rights signed in March 1994 by the Guatemalan Government and the URNG in Mexico.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Unofficial sources have said that the UN plenum will reach a decision on Minugua's situation in Guatemala in the next couple of weeks.

Official spokesmen have estimated that, if need be, financial support will be sought for Minugua from the Group of Country Friends of the Guatemalan peace process, made up by Colombia, Spain, the United States, Mexico, Norway, and Venezuela.

UN Secretary General Butrus Butrus-Ghali last week recommended the UN plenum approve a nine-month extension until December 1996 to allow Minugua to continue working in Guatemala. The extension has been ruled out, but the United Nations must now decide if it has the funds to finance the multi-million dollar budget required by Minugua (which has some 270 foreign observers) for its operations.

Nicaragua

Nicaragua: Foreign Minister Comments on Helms-Burton Law

PA1803044296 Managua BARRICADA in Spanish 16 Mar 96 p 7

[Report by William Roiz Murillo]

[FBIS Translated Text] In a news conference yesterday, Nicaraguan Foreign Minister Ernesto Leal said that "the tightening of the commercial embargo against Cuba through the Helms-Burton law hurts the Cuban people and benefits the U.S. ruling class. No law can be extraterritorial because such an idea violates international law."

Leal announced what will be Central America's position, in particular that of Nicaragua, during the 12th San Jose Meeting to be held with the European Union [EU] in Italy from 19 to 21 March.

According to Leal, Nicaragua will demand cooperation for strengthening the state of law, modernizing the state, supporting the electoral process, and inserting the country into the world market for ten years with a generalized preferential system for Nicaraguan export products.

Answering a question as to the government's official position on the Helms-Burton law, Leal said: "The countries of the hemisphere have found that democracy is the only workable political system. All countries should establish democratic political systems while respecting the sovereignty and uniqueness of others."

He pointed out: "We believe that an embargo is no solution for persuading a country to become democratic. The Nicaraguan people have fallen victim to an embargo, which hurt the people and benefited the ruling class. This is why an embargo is no solution to persuade a government to turn democratic."

As to the 12th San Jose Meeting with EU in Italy, he said Nicaragua will demand an expansion of the list of export products, such as shrimp, asparagus, cucumbers, and others, to be exported to the European market under a preferential system. He also favored making investments through the European Investment Bank, permitting a general preferential system and, similarly to the Andean Pact member countries, planting non-traditional crops instead of coca because, he said, Nicaragua unfortunately has fallen victim to drug traffic, which uses the country as a transit point.

Leal said that the Nicaraguan delegation will depart for Italy this weekend. He also said that the moving of European manufacturing plants to Central America, and Nicaragua in particular, will benefit all of the demobilized guerrillas and Army members by lowering the unemployment rate.

He said further that EU's cooperation, in the form of some $7 million, will be requested for the electoral process, a probable runoff election, and the issuing of cedulas and other identity documents for voting.

He said the security cabinet has no information on Commander Caldera's accusations against CIAV [International Support and Verification Commission]-OAS but that the CIAV-OAS' mandate in Nicaragua regarding next 30 June will be respected.

As to Donald R. Hamilton's, director of the U.S. Information Agency's Office of American Republics Affairs, visit to Nicaragua, Leal said: "He comes to learn about the situation of the properties confiscated from U.S. citizens. He will meet with political parties' leaders and National Assembly members."

Nicaragua: Economy Official on Free Trade Negotiations

PA1803043196 Mexico City NOTIMEX in Spanish 2110 GMT 15 Mar 96

[By Hugo Rosell]

[FBIS Translated Text] Mexico City, 15 Mar (NOTIMEX) — It was learned today that Mexico and Nicaragua made significant progress toward the signing of a Free Trade Agreement during talks that concluded yesterday, Thursday, in this capital. However, there are still differences with regard to sugar and beef exports.

Eduardo Belli, Nicaraguan deputy minister of Economy and Development, told NOTIMEX that the delegations were able to work out 95 percent of the Free Trade

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Agreement during the meeting held by the parties in Mexico City this week.

"We expect to resolve the differences in the agricultural and beef sectors —major points of disagreement between the parties — soon," the Central American official explained before returning to his country.

Belli noted that during the talks with officials of the Mexican Secretariat of Commerce, headed by Jaime Zabludovsky [under secretary of the Commerce and Industrial Development Secretariat], the parties signed a protocol whereby his country will be able to sell approximately 550 products under preferential conditions in Mexico.

The Economy and Development deputy minister led the Nicaraguan delegation, which, between Tuesday and Thursday, tried to resolve the differences that — for two years — have kept the negotiations for signing a commercial agreement at a standstill.

"We believe we have made substantial progress. We have covered 95 percent and it will be very simple to sign the agreement. We only have to discuss specific matters such as beef and agricultural products, which are very important for Nicaragua," Belli added.

The Nicaraguan official pointed out that the most sensitive issue for his country is the possibility that its agricultural products be granted access to the Mexican market, "otherwise there would be no justification for the signing of the commercial agreement."

Belli indicated that during the round of negotiations, Nicaragua maintained its stance that preferential treatment be granted to its agricultural and beef exports.

He said that access to the Mexican market for several products, including beans and powder milk, is also being negotiated. He added that "although we are selling these products to Mexico through bids, we would like to come here and sell them on a free basis."

Belli remarked that Nicaragua also seeks to maintain the "historic" levels of its beef sales to Mexico, which amount to approximately 5,000 tons a year and bring in approximately $15 million.

Recently, Mexico increased to 20 percent the tax on Nicaraguan beef imports, "which will be maintained until the signing of the commercial agreement," Belli stressed.

The Nicaraguan and Mexican representatives had met previously in the Nicaraguan capital in January in an attempt to reach agreements in the said sectors.

The Central American deputy minister announced that the coming meeting will be held in Nicaragua after the conclusion of the Summit of Trade Ministers, which will be held in Cartagena de Indias, Colombia, from 18 to 21 March.

According to Belli, at this meeting, Herminio Blanco and Pablo Pereira, the Mexican Commerce and Industrial Development Secretary and the Nicaraguan Economy and Development Minister, respectively, will try to settle differences regarding agricultural and beef products "and will determine the course of the negotiations."

The free market negotiations between Mexico and Nicaragua are taking place separately from those being conducted with the so- called Triangle of the North, made up of Guatemala, El Salvador, and Honduras.

Costa Rica is the only Central American country that has a free trade agreement with Mexico, in force since 1 January 1995, while Panama has already begun talks in the same direction.

The commercial exchange between Mexico and Nicaragua amounts to $34.5 million, of which $28 million were sales to the Central American nation.

Nicaragua: Cooperation Agreement Signed With Switzerland

PA1803043396 Managua LA PRENSA in Spanish 15 Mar 96 p 4

[Article by Luis E. Duarte]

[FBIS Translated Text] The governments of Switzerland and Nicaragua signed two cooperation agreements on 13 March that will benefit the country's rural areas. The Swiss amount is for $3.239 million.

Those present at the signing ceremony were Deputy Foreign Cooperation Minister Sergio Mario Blandon, Swiss Ambassador Eric Pfister, Gustavo Martinez, director of the INAA [Nicaraguan Waterworks and Sewer Systems Institute], and Marco Rossi, director of the Swiss Agency for Development and Cooperation (Cosude).

Switzerland contributes between $10 million and $12 million to Nicaragua per year. In the next few years they expect to donate $39 million more for programs in the agriculture sector and for the financing of drinking water wells, Ambassador Pfister said during the signing ceremony.

"A total of 1,000 drinking water wells have been opened in a ten-year period, our contribution to the INAA this year will be $2.8 million, much higher than what the government contributed, which was $1.7 million," Pfister said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The agreement called, "Transfer of Post-Harvest Technology in the Area of Basic Grains," aimed at guaranteeing food supply for rural families will have the contribution of $456,000 from the Swiss Government and $480,000 from the Nicaraguan Government.

In the ceremony in which both agreements were signed, participants also signed the final document of the First Mixed Switzerland-Nicaragua Cooperation Commission for 1996, which will benefit the country's agriculture and rural sectors with potable water, basic sanitation, and environment as well as the democratic sector, which will be attained with these agreements.

Deputy Minister Blandon said, "The Swiss Government's contributions are of vital importance for the development of the country's poorest sectors."

Blandon also thanked the Swiss Government's support in the repurchasing of Nicaragua's commercial debt.

The director of the INAA said the assistance has mostly been allocated for regions one and two. "Up until now, that country's contributions have benefited 50,000 persons in rural towns and regions while 37,000 others are enjoying the benefits of latrines."

Rossi said that the joint INAA-Cosude program will be in effect for three years. It will be in charge of the construction of a drinking water supply system and latrines, which will benefit 73,000 Nicaraguans.

Meanwhile, in western Nicaragua as well as in the rural areas of Managua Department, a total of 1,000 drinking water wells will be opened for an estimated population of 200,000.

As for the post-harvest program, they expect to educate basic grain producers on how to guarantee food supply and on the possibility of selling their excess grain production at the best prices.

Panama

Panama: Report Views Issue of Debt in Canal Transfer

PA1503144596 Panama City EL PANAMA AMERICA in Spanish 14 Mar p 4a

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] The Panamanian Government insists to the United States that the Panama Canal must not have debts when it is transferred in the year 2000. It does, however, admit that the decision to compensate the 8,000 workers of the waterway belongs "entirely" to the North Americans.

Jorge Ritter, president of the Canal Transition Commission, stated at a Panama Canal board meeting held in the United States recently, that this property has to be transferred "without any type of debt," labor liabilities, or mortgages.

Canal employees are demanding $55 million in compensation payment for the closing of operations at the Canal Commission on 31 December 1999. U.S. laws stipulate that federal employees who lose their jobs because the institutions where they work has closed must be compensated.

However, Ritter observed that U.S. sectors are proposing to change the Federal Personnel Office law to eliminate this obligation under the premise that all the employees will keep their jobs when they are transferred to the Panama Canal Authority, which replaces the Panama Canal Commission.

Panama: Commerce Minister To Attend Cartagena Meeting

PA1503164096 Panama City EL PANAMA AMERICA in Spanish 15 Mar 96 p C4

[Article by Viodelda Barrias]

[FBIS Translated Text] Commerce and Industries Minister Nitzia de Villarreal will head the Panamanian delegation to attend a meeting in Cartagena de Indias between 18-21 March in which participants will continue discussing formulas for the creation of the Free Trade Agreement of the Americas (FTAA).

According to Villarreal, the signing of a free trade agreement for the Americas is not an easy job due to the great inequalities that exist among the various economies.

She explained that the differences that exist among the countries that make up the American continent are not only tariff-related but economy-related as well, because there are weak and strong economies in the region.

She said, however, that the seven working groups that exist and the three more, at least, that will be created in the next meeting have the responsibility of identifying the barriers that are obstructing the development of free trade.

The commerce minister said that Panama is very much interested in the creation of a new working commission in the field of services, because three fourths of the Panamanian GDP falls within this category.

She added that Chile, as well as Panamanian businessmen, are interested in presiding over the working commission in the field of services.

As for the mechanisms that will be adopted to prevent more developed economies from absorbing the smaller

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ones, De Villarreal said forces need to be balanced through the unification of tariffs and the establishment of appropriate export mechanisms, which will guarantee that traumas that could adversely affect certain countries not happen.

She noted that Jamaica presides over the working group of small and medium-sized economies and is seeking formulas to help countries overcome obstacles that may emerge with the creation of the FTAA.

In December 1994, the presidents of the countries of the American continent, in a meeting held in Miami, decided to create the FTAA by the year 2005, of which Panama seeks to be the headquarters.

As for the existence of strong economic blocs such as the North America Free Trade Agreement [NAFTA], the Common Market of the South, and the Andean Pact, Villarreal said it has its advantages and disadvantages, because it is easier to join trade blocs than to join the 33 countries of the continent, but each one of these groups has its strengths, which they may be unwilling to give up.

She said, however, that even though Panama supports the creation of the FTAA, it will continue to negotiate trade agreements with the various countries to gain experience on the new currents of integration and market opening.

The Panamanian Government has stated its interest in being a member of NAFTA; it will initiate negotiations to sign a free trade agreement with Mexico and seeks to be a member of the Andean Pact.

Panama: Report Addresses Expenses of 1995 Budget

PA1603165296 Panama City EL UNIVERSAL DE PANAMA in Spanish 13 Mar 96 p A5

[Report by Edmundo Dante Dolphy]

[FBIS Translated Text] The government's operations expenses budget for 1995 was 1.696 billion balboas, out of which 1.507 billion balboas, or 88.9 percent, of the budget were used, including 11.7 million balboas, in entertainment allowances.

This information was obtained from a Comptroller General's Office report assessing the financial situation of public administration during the 1995 fiscal period.

The 1994 expenditures amounted to 1.429 billion balboas, "meaning there was an increase of 78.2 million balboas, or 5.5 percent, in 1995," the report has revealed.

The most important expenses in the operations budget are: personal services, which amounted to 35.8 percent of the total operations expenditures; service to the public debt, with 34.1 percent; and current transfers, with 21.4 percent.

The personal services expenditures were the highest in 1995, amounting to 539.7 million balboas from a modified budget of 557.5 million balboas, and 96.8 percent was used. Of this allocation, the wages and extra wages subgroup spent 477.2 million balboas; the 13th month bonus 39.1 million; other personal services 21.7 million balboas, and entertainment allowances 11.7 million balboas. In comparison, the personal services allotment increased 19.7 million balboas, 3.8 percent, over the previous year.

Another salient item in the operations expenditures is the service to the public debt, which had a modified budget of 671.3 million balboas and used 513.8 million balboas, 76.5 percent. Public debt expenses were distributed as follows: 189.9 million balboas for amortizations; 220.7 million balboas for interest payments; and 3.1 million balboas for banking commissions and expenses.

According to the Comptroller General's Office report, current transfers are another important item in the operations expenses. It had a modified budget of 327.6 million balboas and spent 323.1 million balboas, or 90.6 percent. This expense includes 263.9 million balboas in transfers to decentralized institutions, 9 million balboas for public companies, 6 million balboas for financial intermediaries, and 49.5 million balboas for other transfers.

Other items of lesser importance regarding operations expenses were: Services other than personnel had a modified budget of 63.8 million balboas and spent 60.2 million balboas, or 94.3 percent. Supplies and materials had a modified budget of 59 million balboas and spent 56 million balboas, or 94.9 percent.

In the current transfers for expenses allocated to the ministries, the Education Ministry has the highest operations expenditures with 312 million balboas from a modified budget of 314.5 million balboas, followed by the Health Ministry, with 275.1 million balboas from a modified budget of 282.2 million balboas and the Government and Justice Ministry, with 130.6 million balboas from a modified budget of 136.7 million balboas.

In comparison, the expenditures of each ministry did not increase significantly, except for the public debt, which increased its expenses by 64.4 million balboas over the budget executed in 1994.

According to the report, the government has used an average of 88.9 percent of its general operations expenditures. All the institutions have used more than 91 percent of their operations expenses.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: 'Secret Document' Links BNA Head, IBM Scandal

PY1403215496 Buenos Aires CLARIN in Spanish 13 Mar 96 p 14

[Report by Marcelo Bonelli]

[FBIS Translated Excerpt] A secret document issued by the National General Trusteeship (Sigen), a control organization subordinated to the executive branch, directly and seriously implicates [former Argentine National Bank, BNA, president] Aldo Dadone in the "affair" of the BNA and the contract with IBM for the installation of a computer system. The Sigen report is the first official document that mentions a former government official in the context of the alleged irregularities being investigated by the justice system for the possible payment of $37 million in bribes.

The report holds the former BNA official responsible for determining the maximum price of the contract to computerize the bank without consulting anyone: $225 million.

Sigen says BNA officials and directors did not participate in this decision. The Sigen report adds: "This exceptional procedure" by Dadone "was not based on any technical or economic study by the appropriate bank department, not even considering the volume of goods and services the bank wanted to contract." The report clearly states: "The price had no foundation" because "it was not based on any cost study."

CLARIN had exclusive access to the four page document and seven page annex. It is signed by Hector Agustini, the head of Sigen. There are only three copies: Judge Adolfo Bagnasco and BNA President Roque Maccarone have a copy each. The third copy is in a safe at Economy Minister Domingo Cavallo's office.

The document is dated at the end of 1995 but was kept confidential because what it states is categorical and because it involves Dadone as the person mainly responsible for the operation. [passage omitted]

The Sigen report also confirms other irregularities in the BNA bidding: It states that the offer in favor of IBM was conditioned, that the most important decisions did not have juridical support, and that officials agreed to pay for the contract in ways that benefited IBM. [passage omitted]

The charges implicate the consulting firm Deloitte & Touche and its representative Roberto Oneto, and also IBM.

Sigen said IBM did not provide adequate guarantees for the contract. One other point: Both parties agreed to a form of payment that is harmful to the state.

Argentina: Di Tella's UK Briefing Said 'Boring, Hollow'

PY1503130996 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 14 Mar 96

[FBIS Translated Excerpt] Buenos Aires, 14 Mar (NA) — During a hearing before members of the Foreign Relations Committee in the Chamber of Deputies, Foreign Minister Guido Di Tella this afternoon defended the "charm offensive" ["ofensiva del encanto"] Argentina has followed regarding the United Kingdom, and described as "irksome" the situation provoked by the UK decision to charge fishing fees in the vicinity of the Georgias Islands.

Di Tella gave his briefing behind closed doors following a victory by the pro-government bloc over the opposition by an 11-7 vote. Di Tella's report provoked angry criticism from members of the opposition, who did not hesitate in describing his remarks as "boring, hollow, and full of trite generalities."

The above characterizations were made by Deputy Rafael Flores of Frepaso [Front for a Country in Solidarity]. Flores added: "As a result of the seduction policy, which the foreign minister insists on calling rapprochement," Argentina is now "behind two to one in its relations with the British."

Flores characterized Di Tella's speech before the congressional committee as "innocuous, because it included references to events dating back to the Malvinas War and to current issues as well, but without adding anything new to the already known facts."

Frepaso Deputy Carlos "Chacho" Alvarez added that Di Tella insists on maintaining a policy "which is nefarious to Argentine interests, while the British are concluding excellent business deals in Argentina — with sale volumes amounting to $8 billion — for which the British have not reciprocated."

Radical Civic Union Deputy Enrique Mathov stated that the incidents involving fishing trawlers in the South Atlantic "have been added to the long list of humiliating situations to which the Argentines have been subjected as a result of the administration's erronous foreign policy." [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina: Di Tella Views Fishing Fee 'Conflict' With UK

PY1403203396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1609 GMT 14 Mar 96

[FBIS Translated Text] Buenos Aires, 14 Mar (NA) — Foreign Minister Guido Di Tella announced today that Argentina will present the case of the conflict with the United Kingdom and its efforts to charge fees for fishing in the South Georgia island zone at the United Nations and the UN Security Council.

Di Tella said: "We will stress the importance of respecting the UN resolution which establishes that we must negotiate a solution to the dispute in the South Atlantic."

Di Tella made these remarks at the Olivos residence at the end of a cabinet meeting that was presided over by President Carlos Menem.

The foreign minister said: "We are trying to get explicit support from the Rio Group. We are talking with some key countries, like Chile, to define exactly what we will do."

Di Tella said he briefed cabinet members about his imminent trip to the United States, next week or the week after, to meet with UN Secretary General Butrus Butrus-Ghali, the Security Council president, and U.S. officials.

Di Tella stressed: "We will seek world-wide support and obviously U.S. support, which is very important."

He said: "We will emphasize the importance of respecting the UN resolution establishing that we must negotiate a solution to the dispute in the South Atlantic with the United Kingdom."

With respect to Argentina's position at the United Nations, Di Tella said: "We have presented a categorical and very strong protest against the British. We have also presented two complaints on the same subject at Camelar [Convention on the Conservation of Antarctic Marine Live Resources]. I want to present our complaint at other international organizations in person."

The minister said the conflict with Great Britain "has not been withdrawn from the United Nations" adding that the protests were presented "by me, personally, at the UN Security Council Decolonization Committee."

Di Tella added: "The issue is very grave and the disobedience by the United Kingdom of UN indications is very serious."

The minister added: "This gives ground to the allegation that the problem does not involve fishing alone."

Di Tella said: "The opposition and the government are concerned about the problem. We think we must apply strong pressure against the United Kingdom."

Di Tella mentioned the oil agreement and the meeting to discuss the subject on 29 February.

The minister said: "Congress is close to approving a bill, which has already being approved by the Senate, referring to penalties against those who violate the new oil policy."

Di Tella said: "This is one of the most important aspects of the oil agreement with the Malvinas because Argentina will receive a percentage of earnings and will monitor the conflict zone."

The minister added: "A second law sponsored by the Chamber of Deputies" concerns "the level or royalties that may be charged through the oil agreement. Right now they are very high and must be made more flexible."

The minister said: "We want 25 percent of what is charged in the conflict zone."

The minister then spoke of the dispute between the United Kingdom and Antarctic Treaty countries about the region under the Camelar jurisdiction.

Di Tella said: "Some countries believe the zone is under Camelar jurisdiction, implying that we should not pay fees to anyone," while "the United Kingdom believes Camelar does not control the South Georgia Island zone."

The minister said that Camelar member countries will meet in Australia in October. He said that Argentina will participate, adding: "We will take many other steps at the international level."

Di Tella said: "We have Chile's support because this country has filed a lawsuit against the island authorities. They sustain that the area is under Camelar jurisdiction."

The minister recalled that he briefed President Carlos Menem and his assistants on the issue of fishing in the Malvinas Islands, adding that today that matter "has become distorted by the conflict in South Georgia."

Di Tella said: "Discrepancies between the United Kingdom and Argentina came just one day before the start of the South Georgia problem," reiterating that "we want a scientific cooperation and fishing conservation agreement."

The foreign minister said: "We do not want to define production because we think that ambitious question will be very difficult to handle, at least in the next few years."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina: Lithuanian President Interviewed During Visit

PY1503151696 Buenos Aires CLARIN in Spanish 14 Mar 96 p 31

[Interview with Lithuanian President Algirdas Brazauskas by Telma Luzzani, in Buenos Aires on 13 March; copyrighted by CLARIN]

[FBIS Translated Text] Lithuanian President Algirdas Brazauskas could very well be an example of those "political oddities," which rob political analysts of their sleep at this unpredictable turn of the century. Leader of the Lithuanian Communist Party in 1989, Brazauskas was elected president of the Republic three years ago at the first free elections in the history of his country. Nevertheless, in an interview with CLARIN newspaper during his state visit to Argentina, the Lithuanian president defended private property, market economy, and watered down his red past.

"Jesus and Mary,!" he exclaimed on 13 March when shortly after arriving in Buenos Aires CLARIN asked him to explain how a Communist president could be compatible with a market economy.

[Brazauskas] First, it would be necessary to explain what it means to be or not to be a Communist and only afterwards will we be able to discuss economic reforms. I was the Lithuanian Communist Party's first secretary, but, unlike the Communist Party's situation in other countries, 53 percent of party members were Lithuanians. Therefore, we were able to maintain our identity. I always keep saying the same thing: In Lithuania, 3 percent were real Communists, while 97 percent were people who limited themselves to doing their job and did not participate in any party activity. Despite persecution, most people even maintained the Catholicism's main traditions. This explains why Communist Party members actually headed the struggle for independence.

[Luzzani] Were you among the 3 percent or the 97 percent?

[Brazauskas] No, I was among the 97 percent (laughs). I did not become involved in politics before the pro-independence movement. I am a hydroelectric engineer and I worked as such. Afterwards, I graduated in cybernetic economics.

[Luzzani] Are you closer to Russian President Boris Yeltsin or to Communist Party presidential candidate Gennadiy Zyuganov?

[Brazauskas] As president, it is very difficult for me to talk about a neighboring country. Just consider this possibility: I say I am in favor of Yeltsin and he loses in the 16 June elections. Well then, I would support Yeltsin. In addition, I don't know Zyuganov personally, but I do know Yeltsin. The Russian president helped us a lot when we split from the CPSU [Communist Party of the Soviet Union] and he keeps reminding me of this.

[Luzzani] How can you explain the revival of neocommunism in Poland and Hungary?

[Brazauskas] After the USSR collapse, the people elected politicians who had little or nothing to do with the Communist Party. Radicals, however, were people who did not have any political experience. The people perceived that enthusiasm alone is not enough and subsequently elected people with political backgrounds and those linked to the Communist Party alone had such political backgrounds.

Argentina: Lithuanian President Praises Reform Process

PY1503034796 Buenos Aires TELAM in Spanish 1956 GMT 14 Mar 96

[FBIS Translated Text] Buenos Aires, 14 Mar (TELAM) — Lithuanian President Algirdas Brazauskas today praised the reform process carried out by Argentina and he said that this experience could be useful for the changes he is planning to apply in his country.

During a news conference he gave in the Olivos presidential residence, Brazauskas said: "We spoke with President Carlos Menem about the economic, monetary, and fiscal reforms, and I have observed that many elements of that policy have been extremely effective for Argentina."

He said he expected that "Argentina's experience in this field will help us a lot in our reforms in Lithuania," where "we are preparing a second stage of privatizations in the area of energy, transportation, and great infrastructure projects."

Menem and Brazauskas signed in Olivos a reciprocal agreement to promote and guarantee investments, after which the Lithuanian president decorated his Argentine colleague with the order of Duke Vitautas the Great, First Class, the highest distinction bestowed by his country.

Foreign Minister Guido Di Tella; Labor Minister Jose Caro Figueroa; Alberto Kohan, the secretary general of the Presidency; other Argentine officials; and Lithuanian officials of Brazauskas' retinue attended the ceremony.

Menem gave Brazauskas a picture by Argentine artist Labourdette which depicts a couple dancing a tango, while the Lithuanian president gave him an amber stone, characteristic of the Baltic region.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

During his news conference, the Lithuanian president praised Menem's personality by saying that he felt "impressed," and he added that "while we spoke about exchanging ideas over the past two days, I realized that Argentina is fortunate to have an excellent president, who is competent in so many fields."

He commented that he invited Menem to visit Lithuania, a visit that could take place "before the end of the year" and that "will constitute a very important event for my country and represent a great support by Argentina to Lithuania."

Regarding his conversations with Menem, he said they spoke "concretely of the reforms already implemented and the ones already under way in Argentina in the field of the economy and their effectiveness, as well as privatizations."

Brazauskas said that direct bilateral exchange "is an aspect that is at a low level, and it must be developed actively. We hope that it can be expanded in the future as it should be for the mutual benefit of the two countries."

He then described the situation in his country, which has slightly more than four million inhabitants and an area of 65,000 square kilometers, and which became independent from the former Soviet Union six years ago.

This morning, Brazauskas paid a protocol visit to the Supreme Court of Justice, where he met Supreme Court President Julio Nazareno and other justices.

The Lithuanian president will offer a reception in honor of Menem at the Argentine Air Force Club at 1930 today.

Argentina: Cavallo Defends Government Economic Plan

PY1503200296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0308 GMT 15 Mar 96

[FBIS Translated Text] Buenos Aires, 14 Mar (NA) — Economy Minister Domingo Cavallo tonight strongly defended the economic plan and refuted criticism from opposition economists. The minister accused them of "wanting to create a rift between the president and the minister because only a crisis can return them to power."

"When things are bad for the president, things are also bad for the country," Cavallo warned during a strong argument with Radical (Radical Civic Union, UCR) Economist Adalberto Rodriguez Giavarini.

Rodriguez reminded Cavallo that "his archenemy — entrepreneur Alfredo Yabran — is a friend of the president" and reiterated that disputes within the government "look like a boxing match in Luna Park."

Cavallo charged: "Internal problems are affected by the delay in recovering from the recession, which in turn is caused by the delay in approving legislation in Congress. This is the UCR strategy: To make the country and the government believe we have two leaders — the president on one hand and the minister on the other."

The economy minister, visibly annoyed over the criticism of his administration by Economist Rodriguez Giavarini, independent Economist Adolfo Sturzenegger, and Guillermo Calvo during the program "Hora Clave," appeared suddenly in the studio to answer their allegations.

Cavallo said: "The president handles the government with people's support and the minister fulfills his responsibility and handles the economy." He thus tried to downplay reports of power disputes within the administration, which greatly increased after the heated debate at the cabinet today.

Cavallo did not deny that he promotes discussions in the government, "which are heated when the issue is important," but he denied fighting with the president and other ministers, or his alleged presidential aspirations for 1999.

Discussing the economic plan, Cavallo refuted Rodriguez Giavarini's remarks that the economic expansion process was lead by consumption, stressing the strong increase in exports and investments, "which will continue to influence the process in the long and medium term."

The minister said: "There has been a tremendous investment process. There are very few cases in the world to compare with our increase in exports. We went from $8.5 billion during the UCR administration to $21 billion today."

Cavallo said the government was the first to warn "about the need to increase our savings rate and asked for the prompt approval of the bill to reform the social security system, which the opposition has delayed for two years already."

The minister concluded: "We cut public spending significantly. The law of social security emergency gave us a chance to review cases of illegally granted pensions."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina: Cavallo Admits Argument, Denies Resignation

PY1503221396 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1050 GMT 15 Mar 96

[FBIS Translated Text] Buenos Aires, 15 Mar (NA) — Economy Minister Domingo Cavallo emphatically denied that he has resigned and warned those trying to create an atmosphere of instability that, "like so many times in the past, they will be disappointed again."

Last night, Cavallo clarified a very conflictive situation provoked by a tense cabinet meeting during which he argued with Interior Minister Carlos Corach.

After the meeting, Government House sources gave a detailed account of the argument and noted that President Carlos Menem reprimanded the ministers and reminded them that he holds power in the administration.

Cavallo harshly criticized the sources of the rumors, whom he charged with seeking to create "an image of instability" in Argentina.

He added that they "do not want Argentina to move forward" and have overlooked the "impressive growth" in recent years.

Cavallo admitted that there was an argument within the cabinet, but made it clear "that it did not entail a power dispute," thus rejecting all allegations.

He said a "distorted" report has unfortunately been disseminated because at no time did the president ask for the resignation of any official.

During the installation ceremony of Marcelo Regunega as trade and investment secretary; and Raul Aguero as fuel under secretary; Cavallo noted that he is not trying to hold the media accountable for these reports.

Cavallo said: "I am not holding the media responsible, it is just that there are people who cannot tell good things from bad." He reiterated that the rumors of his resignation were fueled by the "malicious intent of those who reported on the cabinet meeting."

After flatly denying the rumors, Cavallo said he will stay in his post for "many more years."

Cavallo lauded the "leadership" of President Carlos Menem who "has made it possible for Argentina to have an economy with more jobs, greater productivity, and better products."

Cavallo also noted that the postponement of his trip to Mexico was due to "events that will be disclosed in the next few days." Thus, he denied his trip had been suspended over disputes within the cabinet.

Cavallo noted that the argument yesterday during the cabinet meeting was centered "on ways to solve the Argentine people's problems and to create jobs."

Argentina: Cabinet Chief on Support for Econony Minister

PY1503194796 Buenos Aires TELAM in Spanish 1811 GMT 15 Mar 96

[FBIS Translated Excerpt] Buenos Aires, 15 Mar (TELAM) — Chief of Cabinet Eduardo Bauza emphasized today that the government is "united, strong, and solid, and there is no infighting." He also confirmed President Carlos Menem's support for Economy Minister Domingo Cavallo.

Asked about a controversy that arose during yesterday's cabinet meeting, Bauza emphasized: "The government is united, strong, and solid, and there is no infighting."

The chief of cabinet emphasized that Economy Ministry Domingo Cavallo "has not lost President Menem's support; otherwise, he would not continue to be minister."

Bauza said the same applies for "any other minister who is now in the cabinet; they are there and they are ministers because the president is supporting them."

Bauza made these remarks at the Olivos residence at the end of a mass celebrated to pay a tribute to the president's son, who died in an airplane accident one year ago. [passage omitted]

Bolivia

Bolivia: Foreign Minister on Certification, U.S. Aid

PY1503014996 Cochabamba LOS TIEMPOS in Spanish 6 Mar 96 p A2

[FBIS Translated Text] La Paz, 5 Mar (LOS TIEMPOS) — Bolivian Foreign Minister Antonio Aranibar stated today (5 March) that Bolivian administrations will have to endure for many years the U.S. Government's unilateral determination as to whether Bolivia should be "certified" or "decertified" in terms of its efforts to fight the drug trade.

Aranibar said that while "certification" for the United States is a coercive measure designed to implement the U.S. drug enforcement goals — which are not always shared by other countries, Bolivia considers these efforts to be part of clearly defined objectives outlined in its laws and in keeping with its own convictions.

Aranibar said: "Each certification process — which, as is known, is part of a unilateral decision made by the U.S. Government — entails now, and will continue to do so in years to come, a time at which the United States will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

evaluate the level of efforts made by other countries, and the level of efforts we have made in keeping with our own convictions."

According to the top Bolivian Foreign Ministry official, if it fails to meet the drug enforcement objectives, Bolivia is going to live almost permanently under the threat of "decertification," which means economic sanctions imposed by international financial organizations and by the U.S. Government itself.

The Clinton administration recently "certified" Bolivia for having complied with the goals set in a process designed to eradicate surplus coca plantations, as well as illegal coca and seedlings, and for having signed a new extradition treaty with the United States.

The Sanchez de Lozada administration has the following tasks ahead: A frontal struggle against money laundering, trial and imprisonment of "the big fish" in the drug trade, and the eradication of surplus coca plantations.

Aranibar noted that he still does not know how much the U.S. aid to fight the drug trade will amount to, especially in terms of helping bring equilibrium to the Bolivian balance of payments.

Finally, he said that "certification" does not necessarily entail recognition of the "shared responsibility" existing in the antinarcotics struggle. He said: "It does not necessarily entail any recognition of the effort made by the Bolivian people or a minimum of objectivity regarding this subject. Nor does it necessarily entail a commitment to sharing responsibility, even though — we must say this — the United States has been the one country that has cooperated the most with us in this area."

Bolivia: Editorial on Antidrug Effort, U.S. Certification

PY1503202496 Santa Cruz EL MUNDO in Spanish 5 Mar 96 p A5

[Editorial: "The Antidrug Fight and U.S. Certification"]

[FBIS Translated Text] For Bolivians, fighting drug trafficking has been a priority duty for decades. This fight has focused on the origin of the problem, that is, on the eradication of illegal coca farms, under the terms of Law 1008 of 1988. Repression of drug production dates as far back as the 1960's. Large operations have been conducted, confiscating large amounts of cocaine sulphate. No one doubts this scourge spreads corruption at all levels. Bolivia could not be an exception in the vast world of drug traffickers.

This campaign against trafficking, and the eradication of illegal coca farms, enjoyed the economic support of European countries — through the United Nations — and especially of the United States, which during recent government term has, however, remarkably reduced its contribution.

In efforts to neutralize the production of drugs, the United States has adopted a policy that measures the level of cooperation from the countries that produce coca and/or cocaine — Bolivia, Colombia, and Peru. Washington issues a certification to those countries, depending on their level of antidrug fight. These certifications were reported last week. It is now known that Bolivia obtained a good grade. Colombia failed: More colloquially put, it was decertified.

The lack of certification punishes low drug enforcement efficiency, banning all cooperation and loans, not only from the United States but also from international organizations.

Certification is done annually, and any country can fail the exam, with the result that its economy will be affected by a failure to receive credits from international organizations.

Like Colombia and Peru, the Bolivian Government has several times explained that traumatic conditions are not essential to encourage coca-producing countries to do what they must do: eradicate coca farms and prevent the production of drugs. Yet all explanations have been useless.

Over the past 30 years governments have agreed with the United States on the need to fight drug trafficking because of the harm it causes to mankind and to individual nations. We are aware of our poverty and underdevelopment, and no one has never welcomed the idea of Bolivia being a drug supplier. This led us to undertake drastic campaigns against the production and marketing of cocaine. We have also met — except during one government term — the minimum targets set for the eradication of illegal coca farms. All this has made the "certification" effective both for "contributions to the balance of payments" and for our treatment from international financial organizations.

Even though the lack of certification is a threat that reappears every year, our country should make all efforts — as it has done so far — to continue its fight against drug trafficking, gradually reducing, until they are totally eliminated, new and illegal coca farms. This should be done not out of fear of failure to receive the U.S. certification, but because it is set forth by the law.

If our country complies with the laws dealing with the subject, it will have nothing to fear, unless conditions that are impossible to be met are imposed in the future.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Brazil

Brazil: Finance Minister Interviewed on Bank CPI

PY1503000096 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Mar 96 p B3

[Interview with Finance Minister Pedro Malan by Vera Brandimarte and Ivanir Jose Bortot in Brasilia on 6 March]

[FBIS Translated Text] [GAZETA] What is your opinion of the Congressional Investigating Committee [CPI] on banks, which was created on 6 March by the Federal Senate?

[Malan] The consequences were already felt on 7 March, due to a degree of uncertainty in the market. No finance minister could never deem such a thing positive. This is a prerogative of Congress. I have no intention of discussing one of the Republic's branches or its prerogatives. Tranquility reigns within the administration. We have nothing to hide and will explain things as much as required. Central Bank [BC] President Gustavo Loyola's attestation before the National Congress proves we are interested in answering every single question. One trait that characterizes President Cardoso's administration is the courage shown in facing problems that have often been left for later; we do not postpone decisions or use high inflation rates to hide problems. High inflation is a smokescreen that blocks out the true nature of problems that must be faced. These problems have not appeared suddenly. It would be entirely naive — politically mistaken or politically motivated — to imagine that everything was going fine until 1995 when problems began to appear, and that these problems were generated during Cardoso's administration. It is odd, to say the least, that this CPI is restricted to investigations as of the start of 1995 — to January 1995. Anyone with a minimum amount of information knows these problems have a gestation period, a history. From what has already been uncovered, one can see the Nacional Bank difficulties are at least 10 years old. If this problem is approached in any way that is not politically motivated — not aimed at harming President Fernando Henrique Cardoso's administration or his person — this should obviously and, for the sake of coherence, we should understand that these investigations must go back as far as necessary to allow us to see why these problems were not faced by past administrations.

[GAZETA] Will the CPI leave the financial area exposed to rumors for too long? Particularly if we consider that the market usually anticipates the facts? Will that be bad for the Real Plan?

[Malan] It is negative for the program precisely for these reasons. The market already reacted on 7 March. Personally speaking, as a citizen and not as a minister, I believe there is no reason to install a CPI. I believe the proposal to install this CPI shows clear political objectives against the Cardoso administration. There are other interests involved but, as I am not a politician, I do not want to go into details. I just reiterate: We are absolutely calm within the Cardoso administration and know that there will be no difficulty in answering or explaining any question, or in showing what we are doing. We know that our actions are an attempt to face with courage problems that have previously been postponed.

[GAZETA] Will the decision to change the BC systems of control and supervision make the market more tranquil?

[Malan] Let me point out two things: First, these changes were already being implemented. I believe certain things can be improved and the BC supervisory system can be improved. The system can be improved just as any other public institution can be improved, even the legislative and judicial branches. We have achieved significant institutional progress in the financial area and in the performance of the BC. The adoption of the Basel rules, which establish the minimum capital requirement related to assets and risk capital, is an achievement. For some time, we have been approaching regulating agencies worldwide to learn from the other countries' supervisory experience. We have regular contact with the BIS (Bank of International Settlements), which is the central bank of central banks, and our experts have attended BIS meetings. The decision by the Brazilian Government to create a Guarantee Fund For Deposits, together with the Program to Encourage the Reorganization and Strengthening of the National Financial System, are an important step forward. Another provisional measure granted the BC the capacity to adopt preventive actions, which it previously did not have. The previous legislation was restricted to trusteeships and the liquidation of banks. Now, based on the laws, the BC can force banks to modify their administration, demand an increase in their capital, reorganize their shareholders cadre, and transfer stock control before making any decision about a possible liquidation or trusteeship. We now also hold the majority stock owner responsible for losses (in the case of bankruptcy) which did not occur previously. In the past, the BC could only go after the bank's administrator and not after the majority stock owner. Now, these assets can be embargoed and lost assets can compensate for the cost of reorganizing the institution.

[GAZETA] What other measures can the administration adopt?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Malan] Following our talks with Congress on the reissuance of a provisional measure on the powers of the BC, we will have a text that will already expand the responsibility of independent, external auditors to analyze the balance sheets of financial institutions. We are analyzing the final details of these changes with Congress.

[GAZETA] Is it possible to formulate a better qualitative control of the bank assets? Currently, the market believes other banks may be having the same problems as the Nacional Bank, because last year's insolvency forced several institutions to roll on their credit operations without any guarantee that they may be honored.

[Malan] Of course it is possible to improve the qualitative control of assets. This will be done more and more intensively. Supervision by the BC will analyze, in a more detailed manner, the quality of each bank's credit operations. I would like to add, however, the following: I want to reiterate my absolute confidence in the board of directors of the BC — in [BC President Gustavo] Loyola, [Director of Norms] Claudio Mauch, [International Affairs Director] Gustavo Franco, Economic Policy Director Francisco Lopes, Administrative Director Carlos Eduardo Tavares, and Monetary Policy Director Alkimar Moura. They are all competent professionals and honest people. None has ever been involved in illegal activities within the financial system.

[GAZETA] Are they being exposed to excessive questioning? Are their personal images are being stained, which will make their permanence in the administration more difficult? There were very strong rumors on 7 March that the BC board had massively resigned.

[Malan] I have often been asked this question over the past few months: I have answered no to it and will continue to do so. There are two ways for those who occupy responsible positions to leave the government. All positions are at the disposal of the president of the Republic 24 hours per day. Therefore, and at any time, the president can request that a position be vacated. There is no indication, however, that this will occur with regard to the BC board. On the contrary, President Cardoso has demonstrated support for the current BC board and I have done the same. The other possibility is that an official, by his personal and individual decision, reaches the conclusion that he cannot continue to perform a task adequately. It is not up to me to speculate if someone, for personal or familiar reasons, may someday decide to resign from a certain position.

[GAZETA] Would changing the BC command right now create problems for the Real Plan?

[Malan] Two things are bad. First, the attitude within certain circles toward the institution as a whole. Just as I have expressed confidence in the BC board, I would like to express my confidence in the BC as an institution, and in its cadre, which still represents an island of competence within the Brazilian public service. I am concerned, however, about certain accusations — some frivolous, others irresponsible or entirely for political purposes. These accusations seek, on the one hand, to stain the personal honesty of the BC directors and the integrity that is characteristic of the BC board while, on the other hand, they seek to attack the institution as a whole.

[GAZETA] Precisely because the BC has the image of a competent institution, the market finds it odd that, in the case of the Nacional and Economico Banks, the BC should have taken so long to perceive what was going on. Could it be that the government postponed a decision on these banks because it lacked, at the time, the adequate instruments?

[Malan] No one has ever questioned what has been done. In the case of the Nacional Bank, we did what had to be done. People who had deposit accounts and savings pass books in the Nacional Bank have had their interests protected. All the Nacional Bank offices opened normally on the next Monday, right after the bank was placed under trusteeship. There were no implications of a systemic nature, but this could have happened if a judicial liquidation had been used to solve the problem of the fifth largest bank in the country. No one questioned the solution. The discussion, which is surrealistic, seeks to establish if the decision should have been made earlier. It is a matter of judgement. Some believe it should have been made the moment the BC supervising area identified the problems with the management. This type of problem is never discovered the way one would detect tooth decay while consulting a dentist, evaluate the extension of the problem, the alternatives that could be adopted, and make a decision. Thus, everyone is free to speculate if the moment should have been 1986 or 1988. If we had an entirely infallible, omnipotent, omniscient, and omnipresent supervision would it have been possible to identify this problem earlier? My answer is this: Strict British supervisors took time to perceive the BCCI frauds; In the United States, the Daiwa Bank was committing frauds for 11 years. Like human beings, institutions are not infallible.

[GAZETA] Is the administration ready to face a possible liquidity crisis in the financial system?

[Malan] Of course. A country with more than $50 billion in reserves and almost $40 billion in compulsory deposits in the BC is ready to deal with any eventuality.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We still believe the Brazilian financial system is effective, solid, modern, and competitive. What worries me, and worries many people worldwide, is that there are signs of irresponsibility which allow gossip and rumors to create problems that, otherwise, would not exist. By the way, spreading rumors and untruthful data on financial institutions is a crime under Brazilian law. These rumors are an attempt to transform technical, economic, and financial matters into a circus show.

[GAZETA] How are the Excel Bank negotiations on the Economico Bank getting along?

[Malan] Everything is going well. The people from the Excel Bank held a long meeting with BC officials on 7 March. Gustavo Loyola told me that things are going fine, but they are discussing complex topics and technical matters. It is not a political decision.

[GAZETA] Can this CPI have a negative impact on foreign investors?

[Malan] I believe there will be a period of uncertainty, until the meaning of the CPI is understood. I hope good sense will prevail and things will be understood in their true dimension. I cannot believe the objective of the CPI is to destabilize the administration and the country. It is hard to imagine someone having this type of attitude.

Brazil: Roundup of Economic Reports Through 15 Mar

PY1503154796

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 15 March.

BASIC LEADING INDICATORS

Disbursements To Create Jobs Seen — Codefat, the Workers' Assistance Fund Council, has approved the disbursement of 3.5 billion reals, R, in three years, for infrastructure and transportation projects that may generate jobs. The resources are part of the administration's Proemprego program, which contemplates investments totaling R9 billion. Of this total, R2.5 billion will come from the National Bank of Economic and Social Development and R3 billion from the administration. More than R1.5 billion of this total will be earmarked for works to be conducted in Sao Paulo State. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Mar 96 Section 2 p 3)

Industrial Production Still Dropping — The Brazilian Institute of Geography and Statistics has reported that Brazilian industrial production still decreasing and that in January it was 0.6 percent lower than in December and 8.6 percent lower than in January 1995. Industrial production accumulated from January 1995 to January 1996 dropped by 0.3 percent. Mechanical industries production in January was 1.2 percent lower than in December and 36.2 percent lower than in January 1995; textile production in January 1996 was 25.1 percent lower than in January 1995; and the metalwork industries production 13 percent lower in the same period. In January 1996, tobacco production increased by 16.9 percent, industrialized food production by 15 percent, and pharmaceuticals 6.9 percent compared to the same month in 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 2251 GMT 12 Mar 96)

Petrobras Daily-Production Record Viewd — The Brazilian Petroleum Corporation reported on the night of 12 March that the national oil production in February stood at an average 810,000 barrels per day. On 28 February, the company had a historic record level of daily oil production: 825,750 barrels. (Sao Paulo AGENCIA ESTADO in Portuguese 0013 GMT 13 Mar 96)

Heavy Industry Hiring People — After dismissing workers for seven consecutive months, the Sao Paulo heavy industries hired 350 workers in February. The number, however, is too little compared to the 8,362 people who have been dismissed in the last 12 months. Nowadays, the Sao Paulo heavy industries have 36,435 employees. (Sao Paulo AGENCIA ESTADO in Portuguese 0013 GMT 13 Mar 96)

February's Trade Balance Deficit Noted — The Brazilian trade balance registered a deficit of $7 million in February. This is the first negative balance since June 1995. In February, Brazil exported $3.421 billion and imported $3.428 billion. Compared to February 1995, when the country exported $2.952 billion, last month's exports increased by 15.89 percent. February 1995 imports stood at $4.047 billion and last month's were 15.30 percent lower. The February 1995 deficit stood at $1.095 billion, while last month's was 99.36 percent lower. Car imports increased from the $33 million purchased in January to $51 million in Feburary, durable goods from $194 million to $250 million, consumption goods from $542 million to $593 million, and fuels from $336 million to $362 million. Manufactured and semi-manufactured goods exports increased this year, as well as the exporting of basic products. Compared to January-February 1995, steel plates exports increased by 66.86 percent this year. Heavy machinery exports, however, decreased by 32.15 percent, shoes exports by 11.48 percent, and car exports by 28.27 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 2248 GMT 13 Mar 96)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

February International Reserves Reported — A Central Bank source has reported that Brazilian international reserves totaled $55.5 billion in February and that this represented a historic record. In the same month, the Central Bank purchased $2.212 billion in net currency in the market and only disbursed $244.6 million to honor the country's debts with the Paris Club. (Sao Paulo AGENCIA ESTADO in Portuguese 1509 GMT 13 Mar 96)

FINANCIAL OPERATIONS

Renault Builds Factory in Parana — Parana State Government will be the partner of the French Renault in the latter's factory to be built in Brazil, at Sao Jose dos Pinhais, in the outskirts of Curitiba. The project will require a $1 billion investment. Renault will control 60 percent of the capital, and the Parana government and a pool of investors will be responsible for a nearly $300-million investment. The organization of the pool of Brazilian entrepreneurs is being coordinated by Parana Governor Jayme Lerner (Democratic Labor Party). The agreement signed by Renault President Louis Schweitzer and Governor Lerner, near Paris, on 12 March establishes that the factory will already be functioning in 1999 and production 120,000 units per year. (Rio de Janeiro O GLOBO in Portuguese 13 Mar 96 p 25)

Japanese Loans for Brazil — Japan has lent $1 billion to Brazil to widen the Sao Paulo-Florianopolis road and to build a subway system in Fortaleza. This was announced on the second day of President Ferando Henrique Cardoso's visit to Japan. (Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Mar 96)

Foreign Investment Drops in February — Compared to January, foreign invesment in the Brazilian stockmarkets dropped by $715 million in February, when the difference between the money that entered the country and the money sent abroad totaled $365 million. Central America is responsible for 35 percent of the resources that enter the country in February, and North America for 32 percent. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Mar 96 p B4)

FISCAL, MONETARY ISSUES

Monetary Base Drop Viewed — The Central Bank managed to reduce considerably the amount of money in circulation in February. To this extent, it issued a net R8.1 billion in public certificates, thus reducing the monetary base by 23.8 percent. The withdrawal of R5.428 billion from the economy has been one of the factors that prevented the interest rate from dropping further, while it intensified the drop in the inflation rate. (Sao Paulo GAZETA MERCANTIL in Portuguese 11 Mar 96 pp A1, B4)

February Treasury Deficit Reported — In spite of the budget restrictions, the National Treasury haad a cash deficit of about R770 million in February. As a result, the January-February accumulated Treasury deficit totals R3.6 billion. Although only one twelfth of the General Budget for lack of Congressional approval of the 1996 Budget, the administration has already spent in 1996 more than twice as much as what it spent in the same period lat year, when the National Treasury deficit stood at R1.46 billion. In February, the revenue totaled R7.1 billion, while expenditures totaled R7.8 billion. In February 1995, however, revenue totaled R7.4 billion and expenditures totaled R9.4 billion. (Sao Paulo GAZETA MERCANTIL in Portuguese 12 Mar 96 pp A1, A5)

TRADE ISSUES

Coffee Exports Lowest Since 1980 — For the fifth consecutive month, Brazil has failed to comply with the accord signed with the Association of Coffee-Producing Countries, which established the country's coffee export quota at 1 million sacks per month. In February, Brazilian exports of coffee in grain, toasted, and ground totaled merely 574,566 sacks. This is the lowest volume of coffee exports in a month since 1980, when the country exported only 345,000 sacks. In January and February 1996, exports totaled 1,155,000 sacks, which represented a 31 percent drop compared to coffee exported in the same period of time in 1995. More serious, however, is the fact that the country lost exchange revenue, which stood at $82.74 million and was 39 percent lower than the $135.55 million obtained in February 1995. (Sao Paulo O ESTADO in Portuguese 13 Mar 96 p B4)

Chile

Chile: Minister Says Interests in Cuba To Be Protected

PY1603031296 Madrid EFE in Spanish 2019 GMT 15 Mar 96

[FBIS Translated Text] Santiago, 15 Mar (EFE) — Chilean Foreign Minister Jose Miguel Insulza said today that the government will not allow Chilean investors in Cuba to be affected by the consequences of the Helms-Burton law that was signed by President Bill Clinton on 12 March.

Insulza said: "We will not allow the interests of Chilean businessmen or private individuals who invested in Cuba to be affected by any other law that is not the law

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of this country or an international agreement signed by Chile."

Insulza made this comment after meeting with Cuban Deputy Foreign Minister Jorge Bolanos who arrived in Santiago today.

Bolanos is touring eight Latin American countries to explain the impact of the Helms-Burton law and the downing of two civilian light airplanes by Cuban planes, which led to the hardening of the U.S. embargo against Cuba.

Insulza said that the law hurts international trade and that Chile will protect Chilean businessmen who might be affected by this initiative "before the international mechanisms we have," such as the World Trade Organization (WTO).

The investments of Chilean businessmen in Cuba total approximately $60 million, mainly in the fields of agro-industry and tourism.

Bolanos pointed out that the new law deeply hurts the Cuban people and government and that this is part of the history of aggression against the island over the past 37 years.

Bolanos added that the Cuban Government has many means and mechanisms to alleviate the impact of the sanctions, such as appealing to the WTO, the International Court of Justice, and the United Nations.

The powerful Chilean Production and Trade Confederation, an umbrella organization of Chilean businessmen, strongly rejected the measures against Cuba, which was labeled "unacceptable" because it is an attack on free trade.

Chile: President Calls For Better Use of Resources

PY1503015696 Santiago EL MERCURIO in Spanish 7 Mar 96 pp C1, C6

[FBIS Translated Excerpt] President Eduardo Frei asked yesterday intendants throughout the country to be more diligent and effective in the use of resources the regional governments receive from the National Regional Development Plan (FNDR).

After meeting with 13 intendants who represent the government in the regions, President Frei announced that a special work group will be created to study and implement actions to strengthen public investments.

President Frei wants to prevent the situation in 1995 when it was confirmed in early October that the FNDR only implemented 50 percent of the projects.

The new work group will be headed by the Finance Ministry. The other members will be representatives of the Planning Ministry, the Presidential General Secretariat, and the Regional Development, Public Works, and Housing Under Secretariats.

Frei said indicators will be incorporated in the implementation of the FNRD, which will be considered when appropriating new resources for the region.

President Frei held a two-hour meeting with the intendants on the goals and programs established by the central government for each ministry and on their correct implementation in the regions.

Frei pointed out the need to inform the community about the projects carried out and the intendants expressed concern over the red tape within the central government that obstructs their actions. [passage omitted]

Chile: Party Leader Says Middle Class Neglected

PY1503125796 Santiago EL MERCURIO in Spanish 12 Mar 96 p C2

[FBIS Translated Text] Making an analysis of the work carried out during the six years of government of the coalition, Christian Democratic Party President Alejandro Foxley admitted that perhaps due to emphasizing the idea of improving the situation of the poorest sectors too much, the middle class has been neglected and the executive branch should worry more about this sector's problems.

Foxley mentioned especially the problems the middle class is facing concerning the children's access to higher education, the high taxes they have to pay, and the fact that they are generally left out of the scholarship plans which are assigned to those with better grades and who lack resources; and in the health area, the high cost of Isapre [Institutes of Public Health and Preventive Medicine] programs forces many middle-class people, especially senior citizens, to return to Fonasa [National Health Fund].

He explained that because of the privatization and deregulation of higher education, a situation occurs when for economic reasons middle-class sectors are being denied access to universities.

For example, Foxley cited the fact that studying engineering in a good university costs 150,000 pesos monthly per student, and that a middle-class family could hardly have two children studying that subject, regardless of the good intellectual conditions and desires they may have.

In this manner, he added, we are returning to an elitist superior education system as that which existed in the beginning of the 1960's.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He said that we must be more imaginative to overcome the difficulties and to solve problems, especially those that affect youth unemployment, rural poverty, homes where women are the heads of the family, and senior citizens where traditional policies yield no effect.

In the Radical Socialist Democratic Party, its leaders also agreed that after six years of government of the coalition, the time is appropriate for an analysis, and its Secretary General Roberto Teplizky said that the reorganization of the ruling coalition and seeking a formula to awaken a new spirit in the people, are the two pending goals of the coalition.

Concerning criticisms by the opposition, some of which yesterday said that the performance of the two governments of the coalition have been deficient, lacking willingness to face modernization, and have limited themselves to keeping the same pace, Alejandro Foxley said that there is nothing that devalues politics more before the eyes of the citizens than statements filled with passion and shortsightedness concerning reality.

Chile: Army High Commands Meet To Discuss Reorganization

PY1403205496 Santiago EL MERCURIO in Spanish 13 Mar 96 p C5

[FBIS Translated Excerpt] Yesterday the Corp of Army Generals held the first Military Council of the year to assess the deep-rooted changes being carried out by the Army through what is known as the "Alcazar Plan."

The meeting, which will end today, was held at the Army General Staff Headquarters within the Armed Forces Headquarters building. It was attended by all the high-ranking army officers, including those posted abroad, Chilean military attaches in the United States, Brigadier General Ricardo Izurieta, and in Spain, Brigadier General Juan Cheyre.

The opening ceremony was presided over by Army Commander General Augusto Pinochet. [passage omitted]

The purpose of the meeting is to discuss issues of interest for the Army, to assess the changes set by the Army commander last year, and decide the policies to be implemented this year in the academic, logistic, organizational, and administrative fields.

Gen. Pinochet, during a lecture in early August, pointed out the need to reorganize the Army in keeping with the new political and technological developments in the world.

Among the measures, the Army is looking into the possibility of reorganizing its structure and replacing divisions for brigades and battalions. [passage omitted]

Chile: Closing of UNHCR Offices Marks 'New Period'

PY1503011496 Santiago EL MERCURIO in Spanish 14 Mar 96 p C3

[FBIS Translated Excerpt] Sergio Vera de Mello, UN High Commissioner for Refugees (UNHCR) representative, stated yesterday that the closing of the UNHCR offices in our country marks a new period in the history of Latin America, in that the flow of refugees has given way to democracy.

The organization, which operated for 22 years in Chile, watches over the transfer of political refugees and banished people to other parts of the world. Now, for reasons of budget and because its existence is no longer justified in our country, it will formally close its doors today during a ceremony at La Moneda Palace with the participation of Interior Minister Carlos Figueroa. [passage omitted]

Colombia

Colombia: Samper on Weapons Found Near Narino Palace

PA1603190196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 16 Mar 96

[Report by Orlando Parga; from "The Midday Newscast"]

[FBIS Translated Text] Security measures around President Ernesto Samper Pizano were tightened as soon as news about the discovery of the weapons was announced.

Snacks typical of Huila Department were about to be served but were suspended immediately by the president's security chiefs. The president did not want to comment. We were able to reach him; he gave us little information, but this is what the president has said:

[Begin recording] [Parga] The police today reported on devices they have found near Narino Palace today. What is your opinion on the matter?

[Samper] The information we have now is very little. It appears that two grenades were in fact found, but no considerable damage was caused. This is the report I have now.

[Parga] From where did these grenades come?

[Samper] I have no idea, but that is what the security forces are trying to investigate. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The president boarded his helicopter and traveled immediately to the city of San Agustin, where he will catch a plane to Neiva. After visiting Neiva, he will travel to Santa Fe de Bogota today to take charge and to supervise the investigations following the confiscation of these devices at Narino Palace.

Colombia: Police Head on Weapons Found Near Narino Palace

PA1603193796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 16 Mar 96

[Interview with General Luis Ernesto Gilibert Vargas, commander of Santa Fe de Bogota Metropolitan Police, by Guillermo Franco at Police Headquarters in Santa Fe de Bogota; from "The Midday Newscast" — live relay]

[FBIS Translated Text] [Franco] General, once again Caracol Network is summing up this morning's situation when two rudimentary mortars were found.

[Gilibert] Yes. As we said at the time, we found two mortar grenade launching pads on the roof of the CTC [Confederation of Colombian Workers] building on 10th Avenue and Seventh Street. Upon examining the pad, we found it could not have withstood such a such a shot. Nevertheless, as I said, the subversives have been trying very hard to take center stage with incidents such as these; therefore, we are conducting an investigation, because situations such as these are worrisome.

We found a few ELN [Army of National Liberation] warnings, but the focus of this investigation will not be solely on the ELN. We have other leads that must be covered and will be looking at the quality of the materials used, because some of these pads are similar to those found at the Defense Ministry approximately 20 days ago. Still, many questions have yet to be answered.

What matters now is that at this hour the city is calm, this sector is calm, the Presidential Guard Battalion is patrolling the area, as are the police. We have undercover personnel and will be carrying out the Conquest of Santa Fe de Bogota [Conquista para Santa Fe de Bogota] Plan this afternoon .

[Franco] Guillermo [last name not give] at the studio, do you have any questions or concerns?

[Guillermo] No. Gilibert has spoken very clearly, but some people have said they heard an explosion near a furniture store and thought it was a missile. Because the rudimentary device General Gilibert spoke about was just discovered, would you tell us what led you to the roof of that old, vacant CTC building on 10th Avenue and Seventh Street?

[Gilibert] Of course. A petard exploded in the air, and we subsequently detonated a mortar grenade that could not be transported we found at the site of the incident. We decided it would be better to explode it at the site and had personnel from the explosives department detonate it; this is why the people heard the explosion.

[Franco] Unfortunately, Guillermo, the general is on his way to another round of patrols to evaluate the area where the device was found. Guillermo?

[Guillermo] It is clear, then, that a rudimentary device was discovered, right? That is clear, and the explosion was caused by the experts who found it much more practical to detonate the device that way. Criminals did not detonate the device. It all happened in an area near the Presidential Guard Battalion and Narino Palace. What were the plans of the individuals who took those pads and devices to the CTC? General?

[Franco] Yes. The general is listening.

[Guillermo] You have been cooperative with this report. It is clear that an investigation is under way; nothing is being dismissed, but neither Narino Palace nor the Presidential Guard Battalion has been affected. A number of preventive measures has been implemented, and you are trying to find out what reaction was sought by the individuals who placed the pads and devices.

[Gilibert] Exactly. We also believe subversives in the city are quite eager to gain notice to disrupt public order.

[Guillermo] How is the city?

[Gilibert] The city is very well. It is calm, and the phase of the Conquest of Santa Fe de Bogota Plan to be carried out this afternoon and evening is being implemented; therefore, the city will be calm.

Colombia: New Cali Capo Surrenders to Police

PA1503175596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 15 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Cali — Juan Carlos Ramirez Abadia, also known as Chupeta, considered one of the new leaders of the Cali Cartel, turned himself in to the police in Cali a few minutes ago.

An arrest warrant had been issued against Ramirez Abadia by Cali's regional prosecutor for the crime of illegal enrichment.

Chupeta was born in Cali 32 years ago and, according to the authorities, he owns several properties in Valle del Cauca Department. He is also accused of taking over

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the leadership of the Cali cartel following the arrest of the Rodriguez Orejuela brothers.

Colombia: Police Head on Cali Capo's Surrender

PA1503183496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 15 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Attention! As just reported by RCN, Juan Carlos Ramirez Abadia, alias Chupeta, the Cali cartel's no. 1 man following the arrest of the Rodriguez Orejuela brothers, surrendered today to the Regional Prosecutor General's Office in Valle del Cauca in light of the recent pressure and pursuit conducted by the National Police's Search Bloc division.

National Police Director General Rosso Jose Serrano Cadena himself told RCN that Ramirez Abadia's surrender took place as a result of the pressure exerted on him by the Search Bloc's operations in Cali and other points in Valle del Cauca. For instance, he mentioned the 52 raids conducted in that area of the country the day before yesterday. Gen. Serrano Cadena said that a week ago we were working on Ramirez Abadia's surrender.

The police were asked to intervene somewhat in this process and, we [word indistinct], in keeping with the laws, for him to surrender.

Within this process we are working on, the drug traffickers know that the current circumstances are not favorable to continuing their crimes. Gen. Serrano Cadena added that many citizens should follow Rodriguez Abadia's [word indistinct] surrender so that we can close this chapter that has worn out and exhausted the Colombian people.

Gen. Serrano Cadena also noted that the police are tracking down Juan Carlos Ortiz, alias Cuchilla, the Cali cartel's current no. 2 man, in Valle del Cauca, and have virtually besieged him.

Gen. Serrano added that Helmer Herrera, alias Pacho Herrera, is also being pursued in several areas of Antioquia Department.

Ramirez Abadia, alias Chupeta, 32, appeared among those implicated by the Prosecutor General's Office with drug trafficking two weeks ago, when he was being tried on charges of illegal enrichment.

Colombia: Prosecutor Denies Ministers Summoned

PA1503181896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 15 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Santa Fe de Bogota — The Prosecutor General's Office of the Republic has clarified that the prosecutors unit before the Supreme Court of Justice has not summoned and is not considering the possibility of summoning for interrogation Horacio Serpa Uribe, Juan Manuel Turbay, and Rodrigo Pardo Garcia Pena, ministers of the interior, communications, and foreign relations respectively.

The statement was issued to clarify media reports that a decision had been made to summon them to testify regarding possible responsibilities in the receipt of money from the Cali cartel.

Colombia: Prosecutors Order Criminal Inquiry of Ministers

PA1503200096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1920 GMT 15 Mar 96

[Communique issued by the Prosecutor General's Office in Santa Fe de Bogota on 15 March 1996; read by announcer]

[FBIS Translated Text] By a resolution, dated today, of the unit of prosecutors appointed to the Supreme Court of Justice, a criminal investigation will be opened on Interior Minister Horacio Serpa Uribe, Foreign Minister Rodrigo Pardo Garcia-Pena, and Communications Minister Juan Manuel Turbay Marulanda. Consequently, it has been ordered that they be questioned.

This action resulted from the [words indistinct] of copies decided several weeks ago by the special commission of regional prosecutors, which is currently investigating the so-called Case 8000.

[Signed] Office of Dissemination and Press of the Prosecutor General's Office

Colombia: Samper on Support for Subpoenaed Ministers

PA1603042996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0020 GMT 16 Mar 96

[Report by Antonio Jose Caballero; from the "RCN Radio Events" newscast]

[FBIS Translated Text] President of the Republic Ernesto Samper spoke tonight in Neiva during a press conference. We have a report by Antonio Jose Caballero.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

I would like to report to our RCN listeners that the president, here in Neiva, emphatically expressed his full confidence in his ministers as has already been stated in a communique issued this afternoon by the presidency of the Republic. The communique referred to the supoena, by the Office of the Prosecutor General, of Foreign Minister Rodrigo Pardo Garcia Pena, Interior Minister Horacio Serpa Uribe, and Communications Minister Juan Manuel Turbay.

One of the reporters present asked the president whether he would demand the resignation of these ministers if they are proven guilty, I repeat, if they are proven guilty, of any wrongdoing as per the inquiry of the office of the prosecutor.

[Begin recording] [Samper] No evidence will be found, because I am [word indistinct] of which they are allegedly being accused. These accusations are noticeably similar to the charges to which I am providing my reponse before the Accusations Committee. These charges are completely unsubstantiated, mere slander. Of course, I am absolutely confident these ministers, who are preparing to appear before the justice system to explain their conduct, will also be able to explain things satisfactorily. I would like to ask the Colombian people, at this time of tremendous adversity, to have faith and confidence in the government. The government is working to clarify all events that have led up to the crisis. And, finally when the truth is found out, it will exonerate those of us who, in a clear, clean, and open manner, worked to ensure the results that brought us into the government in the past presidential elections.

[Unidentified reporter] President Samper, I am [name indistinct] from the Cripton Newscast. Just like when former Minister Fernando Botero was confronted by the same situation, you also gave him your complete support and credibility. Do you not believe that the same thing that occurred with former Minister Botero could also take place on this occasion?

[Samper] With respect to the case of the three ministers, I am absolutely confident that they are innocent, just like I was at the time with respect to Mr. Fernando Botero. I repeat that, in regard to their innocence, I am not only contributing my direct knowledge of events that developed during the campaign, but also the circumstances under which they are being unjustly implicated. I am also contributing my knowledge of their track record, their performance, their loyalty, and everything they have done during these past 15 years, as well as their support in the task of designing a political program... [end recording]

Regarding the Office of the Prosecutor General, the president answered as follows:

[Begin recording] [Samper] No, what I am referring to is the event, or events for which the ministers have been subpoenaed at this time. These events are practically similar to the ones that prompted me to request a new inquiry from the Accusations Committee. This week Congress decided to approve a bill proposal that the government presented to have the trial or the process being prepared by the Chamber of Representatives to be completely open. Likewise, we intend to openly explain the ministers' conduct so that the country will have no doubt that [pauses]. I repeat, once the truth of the events surrounding my campaign is made public, the innocence of those who, like the three ministers and myself, were unjustly questioned will be clearly established. I used the term unfair, because the events alluded to, do not correspond to our true conduct.

[Unidentified reporter] Mr. President, good evening, I am [name indistinct] from Radio Melodia. Yesterday, the Costa Rican foreign minister met with you and alluded to the likelihood of a rapprochement... [end recording]

This is part of the news conference granted by President Ernesto Samper in the department of Huila, more exactly in Neiva, where he commented on the Office of the Prosecutor General's subpoena to the foreign relations, interior, and communications ministers as part of Case 8000 inquiry.

Colombia: Foreign Minister Cancels European Visit

PA1603032996 Santa Fe de Bogota Radiodifusora Nacional de Colombia in Spanish 0201 GMT 16 Mar 96

[FBIS Translated Text] Foreign Minister Rodrigo Pardo announced today that he has been forced to cancel a four-country visit to Europe, scheduled to begin this weekend, because of his connection to the narcoscandal inquiry. Pardo stated that he has been summoned before the Supreme Court by delegated prosecutors for questioning on 28 March and he must prepare for questioning.

Colombia: Botero Refuses To Testify to Congress

PA1503144496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] After refusing to testify before the Accusations Committee, former Defense Minister Fernando Botero Zea stated in an 11-page memorandum given to investigating Congressman Heyne Mogollon Montoya that President Ernesto Samper Pizano was the one who masterminded the decision to request money

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

from the Cali Cartel to finance the recent election campaign.

According to Botero Zea, the legislative committee is morally unfit to conduct the Ernesto Samper investigation. Former Defense Minister Botero accused the high-ranking leaders of the recent Liberal Party campaign of spending past the ceiling established by the National Electoral Council and of the adulteration of bookkeeping records that were turned over to the proper authorities.

Samper, who was the Liberal Party's presidential candidate at the time, not only knew the money was entering his campaign, but actively solicited it. He was the only one capable of masterminding this initiative and of implementing it, the memorandum stated.

Former Defense Minister Fernando Botero Zea added that with a trick played on the National Electoral Council, the campaign fraudulently obtained 1.8 billion pesos from the public treasury, thanks to the valid vote remuneration law [a titulo de reposicion por voto valido].

Colombia: Samper Says Opposition Delaying Crisis Solution

PA1503143996 Medellin EL COLOMBIANO in Spanish 13 Mar 96 p 10A

[FBIS Translated Text] Santa Fe de Bogota (Colprensa) — President Ernesto Samper said the disorganized opposition carried out by his government's detractors has delayed a solution to the political crisis. He gave the statement during the ceremony to launch the Electoral Organization's Modernization Plan.

The president once more criticized the theory of a labor strike and, referring to this, he said it is an invitation to cause an economic panic, even terrorist actions.

The head of state once more referred to the so-called full stop law and said it does not mean four or five persons will be pardoned while the drug trafficking problem continues in the country, because this is what the full stop law must be aimed at.

"A solution to our current crisis has been delayed by the nonexistence of an organized opposition, among other things," Samper said.

He then indicated there are opponents, rather than an opposition in Colombia and, in fact, the president of the Republic lacks an interlocutor to defend his government.

"A disorganized opposition can be as harmful as a disorganized government because it confuses the people, who do not really know where each side begins or ends," he said.

Referring to the full stop law proposed by Senator Jaime Dusan, member of the government coalition, Samper said the plan "cannot simply involve solving a few people's legal situation."

"Neither can it seek to sacrifice them as scapegoats due to a country's hypocrisy because it tolerated, by action or omission, drug trafficking activities for many years. Drug trafficking must come to an end," the head of state added.

Samper said he hopes the current crisis, which afflicts his government, will not prove detrimental to Colombia's future. "I do not want the noble activity of politics to become infiltrated by dirty drug trafficking money. I feel angry to think that this might have even happened in my own campaign," he emphasized.

Colombia: U.S. Secretary on Antinarcotics Support

PA1503160596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 14 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] U.S. Secretary of Defense William Perry this afternoon in Caracas, where he is paying a visit, said that the United States will continue to assist Colombia in its struggle against drug trafficking, in spite of the fact that country did not receive the White House certification.

Colombia: Government Strategy To Counter Decertification

PA1403215296 Santa Fe de Bogota EL TIEMPO in Spanish 12 Mar 96

[Received via Internet]

[FBIS Translated Text] Yesterday Colombia presented its strategy to European countries and organizations to sign bilateral and multilateral agreements and thus overcome the consequences of the United States' decertification.

A delegation from the Justice Ministry attended the First High- Level Technical Meeting between the European Union (UE) and Andean Countries in Rome. Today it will meet with Italian officials from the foreign affairs and justice ministries.

Justice Minister Carlos Medellin reiterated that the Colombian delegation's initiative is a result of the need to seek support in other areas of the world in its struggle against drugs.

"Our country has the conviction that, if it cannot work with the United States to combat the drug trafficking problem, it should do this with other countries

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in the world. These countries are not only willing to struggle with Colombia; they have publicly and unreservedly recognized and prominently reported our work," Medellin said.

The Colombian delegation, led by Deputy Justice Minister Jaime Cabrera, will hold meetings with government spokesmen in Italy, Germany, Great Britain, and Northern Ireland, as well as the European Union and European Council.

According to Medellin, Colombia will seek international aid to intensify its prevention, crop eradication, and alternate development programs.

However, he explained, one of the main topics is the laundering of assets.

Referring to this, Medellin said: "If we have both the precise legislation on this issue and international cooperation we will have taken a decisive step to defeat, once and for all, the mafias of drug traffickers who obtain enormous profits from their criminal actions and infiltrate without obstruction the various economic sectors of the country and the world.

Colombia: Decertification 'Adversely' Affects Investment

PA1503161096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 14 Mar 96

[Report by Carlos Muton; from the "RCN Radio Events" newscast]

[FBIS Translated Text] Cartagena — The U.S. decertification has adversely affected the investment expectations we had, Augusto Martinez Martinez, executive director of the Cartagena Chamber of Commerce, has said. He added that, according to the Chamber of Commerce's economic indicators, investments in the first two months of the year have declined compared to 1994 and 1995.

We present a conversation between RCN and Augusto Martinez Martinez, executive director of the Cartagena Chamber of Commerce:

[Begin recording] [Muton] [words indistinct] the Chamber of Commerce that the decertification has adversely affected investment expectations. Can you elaborate on this?

[Martinez] Yes, we, who handle net capital investment figures in the city, have seen coincidentally — we don't know if this is a direct result of the decertification...[pauses] well, in January obviously the decertification had not taken place, but it is likely the January figures may have been affected by a possible decertification. Obviously, any person who is going to make an investment of any kind anywhere in the world, if there are problems like the current problems, may perhaps not cancel it but at least postpone it. This is what we have been analyzing. We concluded that people are postponing investment decisions in order to see what will happen in the future. They are waiting for the crisis to be definitely resolved or for an agreement to mitigate the crisis in economic sectors to be reached. [end recording]

Colombia: Government Concerned on World Bank, IDB Loans

PA1403201796 Santa Fe de Bogota EL TIEMPO in Spanish 11 Mar 96

[Article by Jacqueline Guevara G. — received via Internet]

[FBIS Translated Text] At the World Bank, the United States is just another member, but at the Inter-American Development Bank (IDB) it accounts for 30 percent of the votes needed to approve loans.

More than 20 investment projects, which need approximately $3 billion, are awaiting approval at the World Bank and IDB.

Under other circumstances, there would not be so much uncertainty about the approval and granting of the loans; however, the situation is totally different now. Although the government is confident that the World Bank will grant loans for approximately $1.3 billion from now until 1998, it is not so certain about the IDB loans.

Colombia expects to receive $1.5 billion from the IDB. After the decertification, the question is how far would a U.S. negative vote in these organizations obstruct its loan transactions.

If the loans are not granted, the programs for agrarian reform, education, technical assistance, infrastructure, energy distribution, expansion of the drainage system and micro businesses, among others, would be affected.

Less Influence at the World Bank

According to the Finance Ministry, despite the fact that the United States has a significant percentage of these organizations' assets, it could not stop loan transactions by itself, unless other member countries also cast a negative vote.

The United States, for example, in the case of the World Bank has a 17 percent participation in that institution's capital. Moreover, "this organization professes to be free from political influences," the government said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A World Bank official agreed on this, adding there are 162 countries affiliated with the World Bank, of which the United States is just another member.

Nevertheless, he noted that loans are only guaranteed after the contract is signed and comes into force. That is the case of the $145 million for the SantaFe Fase I, which is a Bogota water and sanitation institute program to expand the drainage system.

This is not the case for the loans that are not approved by the board of directors; among others, there are $65 million for urban transportation, $15 million for the development of financial markets, $300 million for private infrastructure, $50 million for the education sector, $13 million for agrarian reform, and $65 million for municipal development.

Uncertainty at the IDB

The situation at the IDB is not so simple, considering that the United States has a 30 percent voting share. The Finance Ministry acknowledged that the greatest risk lies within this international organization, "as at least two thirds of the votes of the member countries make the needed quorum at the executive board to discuss and decide on loans."

Therefore, Hugo Cohan and Jorge Torres, two IDB officials, were visiting the country during the past week to evaluate the use of the funds granted.

A loan for $94 million for the National Alternative Development Plan (Plante) is "awaiting approval." Plante Director Hector Moreno Reyes said the IDB board of directors will decide on the loan by November 1996. He was confident of its approval, considering this is the first time an alternative development plan is being financed. "I do not believe the IDB will toughen its position," Moreno said.

Out of the total loan, approximately $34 million will be allocated to the relocation of peasants in protected forest reserves and the other $60 million to different rural programs.

In the case of the Solidarity Network [Red de Solidaridad], $250 million are guaranteed for housing projects; the first payment of $78 million is expected in April.

The institution said there is another loan for $250 million to be discussed in 1997.

The government expects the loans will be granted without much difficulty, considering that these organizations grant long-term loans (many for as long as 15 to 20 years), and their interest rates are much lower than those at other international financial institutions.

Colombia: 'Paradoxes' of Trade Ministers' Summit Viewed

PA1603031496 Santa Fe de Bogota EL TIEMPO in Spanish 15 Mar 96

[Article by Juan Manuel Santos: "Paradoxes of a Summit" — received via Internet]

[FBIS Translated Text] Attempting to focus on Europe or Asia overnight is a mere illusion, when not even Japan welcomes the president. Clear foreign trade policies are needed.

In order to discuss the progress made in the negotiations on a free trade agreement, the foreign trade ministers of the hemisphere are meeting next week in Cartagena. More than one thousand businessmen from all over the continent will meet in the heroic city of Cartagena to discuss the same issue from their standpoint.

If one takes into account the quality of the conferences and the excellent organization of the discussions in committees and workshops, the private sector's meeting will undoubtedly be a success. Let us hope so, because, otherwise, there would be no justifications for the 1.5 billion-peso cost of the meeting to the Colombian National Treasury.

However, besides the good times these businessmen may have and the intelligent debates that may take place, what the official sector will decide is the important issue. Things are not so clear on this front. Colombia, as the host country, was responsible for coordinating the drafting of the document that would be used as a foundation for the summit's final declaration. The rough draft that the authorities submitted was rather poor. It did not include any significant progress over what was decided during the last meeting held in Denver last year. Perhaps, because of many minister changes or because they were distracted by other issues, there was no time to do the homework well.

Again, the U.S. delegation (as it happened in Denver) was the one that wanted to make the process more dynamic. Specifically, it proposed to take the following steps: 1) set specific dates to start the negotiations; 2) determine the paths that must be followed to create the free trade region; 3) define the participation of the private sector in the process; and 4) establish how this agreement would concur within the parameters of the World Trade Organization.

The fact that the United States is the one that is showing more enthusiasm does not fail to be a paradox. To stress its interest in the hemispheric integration, they will send a highest-level delegation headed by three true heavyweights.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

It is a paradox, because the United States is currently engaged in a protectionist frenzy that has not been seen since the Great Depression, when the infamous Smoot-Hawley law was approved in 1930. Congress did not even want to grant full power to President Clinton to negotiate an agreement with Chile.

Another paradox is that the host country has failed to make a minimum effort to move forward with the integration policies. It was not until last week when a new boost to the Andean Pact was given with a number of institutional reforms and change of name that would mean nothing until the member countries of the "Andean Community" show their true political resolve to integrate themselves. They will have to turn the grandiloquent phrases of their speeches into facts.

A last paradox is found in Mercosur [Common Market of the South], which has become the most dynamic of all integration agreements. Its members (Brazil, Argentina, Uruguay, and Paraguay) were able to create a true customs union. At the same time, however, they have put a stop to the idea of speedily moving toward a hemispheric free trade region. At the preparatory meetings for this Cartagena Summit, Brazilians again were very "apprehensive" to accept any compromising language.

At least a decision on the manner in which negotiations would start (whether they would be, for instance, among subregional blocs) and a specific calendar to start the discussions were expected to come out of the Cartagena Summit. It was impossible to include these issues in the documents the ministers will discuss, however. The gringos' proposals were not well received either. The deputy ministers will undoubtedly be ordered again to make proposals on these issues for the next summit. In other words, a whole year was wasted.

Regarding the path for the creation of the free trade region, the IDB [Inter-American Development Bank] and the University of California conducted a very interesting study, which is perhaps the most serious thing that has been done so far, indicating to each country what scenario would be more favorable for it. Colombian has 11 different options. The most advisable one is a hemispheric integration through the various groups. The worst path is an exclusive negotiation with Mercosur.

There could be an even worse scenario: that the rest of the countries would continue with the process while Colombia does nothing. This is what it has done lately. This is why it is so important for the country to set its priorities in trade negotiation matters. The first priority must be the strengthening of the continental integration. Attempting to focus on Asia and Europe overnight is a mere illusion. We already saw that Japan did not even want to welcome the president; it does not matter if the government insists that the opposite is true. Now, more than ever, Colombia needs clear foreign trade policies.

Colombia: Samper Discusses 'Full Stop' Law, Drug Money

PA1403193196 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Mar 96

[By Yolanda Ruiz and Maria Beatriz Echandia; from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1830 GMT 12 Mar 96]

[FBIS Translated Text] [Ruiz] President Ernesto Samper just held a meeting to present the National Civil Registry Office's modernization plan. However, as always, the current political crisis turned out to be the focus of the meeting. Ana Fernanda Valderrama is at Narino Palace. Good afternoon, Ana. What did the president say today?

[Valderrama] Good afternoon, Yolanda. The president referred to the Full Stop Law, which has been discussed quite a bit over the past few days. It would be a sort of pardon for officials linked to narcocorruption scandals and drug trafficking money. The president has been very ambiguous. He has run with the hare and hunted with the hounds:

[Begin Samper recording] People are, justifiably, talking about a full stop. This full stop should not simply serve to settle the legal situation of a few persons. The full stop should not immolate them, as scapegoats, on the altar of hypocrisy of a country that, in one way or another, tolerated drug trafficking for several years and, thus, committed the sin of omission or commission. [end recording]

[Ruiz] As Ana Fernanda Valderrama noted, the president's stand is not very clear. Ana, you are there. Tell us whether President Samper elaborated on anything. Does he finally agree with the Full Stop Law?

[Valderrama] The president has not elaborated on his remarks; however, people here, at Narino Palace, are reviewing them. The president said two key things, Yolanda:

— people are justifiably talking about the full stop, which suggests that the president approves implementation of this law since it could favor his own case;

— people cannot be immolated as scapegoats since politics has lived with drug trafficking money for a number years, which suggests that the president disagrees with implementation of this Full Stop Law

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for those who, to put this in a way, betrayed him in this case.

[Echandia] Ana Fernanda, the business strike is another red-hot issue. Did the president mention this?

[Valderrama] Yes, Maria Beatriz. The president referred to the proposed business strike. He described it as an invitation to economic panic that could even be considered a terrorist act.

[Madrid EFE in Spanish at 1910 GMT on 12 March reports from Santa Fe de Bogota that Samper said that he prefers seeing the end of drug trafficking over establishing a "full stop policy" for persons accused of crimes related to that activity. Samper reportedly added that anything else "would involve continuing a never-ending trial to determine responsibilities, blaming each other, stigmatizing our families, tarnishing the country's international image by Colombians themselves, and turning the state of law into a Roman circus." Samper reportedly added that he "more than anyone" does not want "the events that are currently tormenting us" to repeat themselves. "I do not want the noble activity of politics infiltrated by the dirty money of drug trafficking," EFE cites Samper as saying.]

Colombia: Samper's Capacity To Govern Questioned

96SM0140A Santa Fe de Bogota SEMANA in Spanish 5 Mar 96 pp 24-31

[Article: "The Nation: Capacity To Govern"]

[FBIS Translated Text] For the past eight months "crisis" has been the Colombians' favorite word. Last week, the word "decertification" came into fashion. But, as things are going, the word that will prevail in the coming days is "capacity to govern". This is the result of a process in which it has become increasingly clear that President Ernesto Samper is facing ever bigger problems as he steers the ship of state. The waters have never been calm for the President since the very moment he began his administration. But during the past 15 days, the waves have reached unprecedented heights with respect to such fronts as the labor unions, the military, and the United States.

But just what is "capacity to govern?" To the ordinary person, capacity to govern has to do with the ability possessed by heads of state to do what they like and to not do what they do not like. But as political scientists understand it, capacity to govern is much more than that. According to the definition adopted by the IDB [Inter-American Development Bank], one of the institutions that has most utilized this concept to evaluate governments, the capacity to govern "comprises not only the exercise of power, but also all the conditions necessary to carry out this function with efficacy, legitimacy, and the backing of the society." In other words, it is what a government needs in order to adequately carry out the job for which it was elected.

It is precisely this capacity that many analysts believe Ernesto Samper's Administration is losing daily. Though the President and his collaborators insist continuously that the 8,000 trial has not prevented them from carrying out the government function, one thing certain is that since the scandal escalated in the middle of last year, a great deal of the administration's energy, in general, and of the President's, in particular, have gone into trying to prove the head of state's innocence and, concomitantly, into seeking sufficient support from the various social and political sectors to be able to remain in power. This in great part has been achieved, but the question is at what price.

Not only has the government not been able to do what it has wanted to do, but, in many cases, it has ended up doing what it did not want to do. And there is no greater sign of weakness than not being able to say no. The majority of the important decisions that a president has to make are unpopular, or they affect some sector of the population capable of protesting or of applying pressure. It is for this reason that the mark of a government sometimes has to do more with its ability to impose difficult decisions than with the applause it gets for those decisions that everyone likes.

The Night of the Generals

Without a doubt, the most cogent example of the lack of capacity to govern is Ernesto Samper's relation with the military. As far back as the second week of last November, when Defense Minister Juan Carlos Esguerra visited the United States, he was informed by that country's officials of the existence of a certain degree of mistrust with respect to some of the highest officers of the Colombian military forces. Although the United States officials gave no details on the origin of their suspicions, the rumor gained ground not only in Washington but also in Bogota.

The press conference held by the President on 20 December, when he announced that he would not accept being told by the United States what to do in military matters, and that he did not know whether the United States government was going to suspend the visas of several generals, signalized that the matter would cease to be restricted to government and diplomatic circles. But a few days later, some of the media disclosed that the matter of the visas was indeed to be taken seriously. They named five generals. Among them

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

was the nation's highest ranking, the commander of the armed forces, General Camilo Zuniga Chaparro. General Zuniga decided to meet with the American ambassador, Myles Frechette. Mr. Frechette played it down and told General Zuniga that his government had made no determination as yet in this regard.

But independently of that message, the fact remains that some days later the President and Minister Esguerra agreed that it would be best to find a way out of the matter quickly. The idea was to have Zuniga retire voluntarily, for personal reasons, in a way such that the episode would not create a loud stir. In this way, the government would also be sending Washington a signal that could advance the cause of certification. A Cabinet source told SEMANA: "The President and the Minister agreed that should Zuniga's visa be withdrawn during the exercise of his functions, the matter would become unmanageable, because a general could neither be dismissed in response to pressure by the United States, nor continue as commander of the Armed Forces without an American visa."

According to military sources, Zuniga indicated his readiness to cooperate in the resolving of the problem, despite his feeling that an injustice was being perpetrated. Around mid-February, all indications pointed to an impending change in the command of the Armed Forces. On Thursday the 22nd, however, all preparations having been completed and with Zuniga's letter of resignation lying before him on his desk, the news was leaked to the media from within the presidential palace itself. Since the matter had been handled in utmost secrecy and the other generals had not even been informed of what was to occur, and since compounding this, the Casa de Narino also revealed that Zuniga's successor would be the commander of the Navy, Holdan Delgado, the leak succeeded in frustrating the change in command and gave rise to a sequence of embarrassing episodes.

Toward nine o'clock on the morning of the 23rd, the respective commanders of the Army, Air Force, and Navy, Generals Harold Bedoya and Hector Gil Nieto, and Admiral Holdan Delgado met in Zuniga's office, manifested their unanimous intent to back him, and asked him to not resign. Two hours later, the head of the joint chiefs of staff, General Ramon Niebles Uscategui, did the same thing. Zuniga thanked his subordinates for their gesture and told them that in any case he had not yet reached his final decision.

Toward three o'clock in the afternoon, Generals Bedoya, Gil, and Niebles, and Admiral Delgado returned to Zuniga's office and asked him to arrange a meeting with President Samper for that very same evening. General Zuniga located the head of state in Tulua and they agreed to meet at the Palace around seven that night. When the generals arrived for the meeting, they were surprised to find Defense Minister Juan Carlos Esguerra in the office of the head of state. Bedoya then told Samper that he would prefer that the meeting be held without the defense minister, because he was not part of the military chain of command. Visibly disconcerted, the President asked Zuniga for a private talk between the two of them. The dialogue lasted 15 minutes, by the end of which Samper had convinced Zuniga that Esguerra should take part in the meeting.

But the damage had been done: Colombia's military having dared to tell the chief executive they did not desire the minister's presence in a meeting, together with the terms in which they addressed the head of state during that meeting evidence a degree of military independence with respect to the civil authority that is unprecedented in present-day Colombia.

Last week, the waters appeared to be returning to calm. And although Zuniga's exit is still on the government's agenda, in a gesture toward the general by the President and Minister Esguerra that has been interpreted as a victory for the commander of the Armed Forces and for the generals who backed him, Zuniga has been designated Minister in Charge of Defense for the duration of Esguerra's 7-day visit to Spain.

This sequence of episodes of a government trying to negotiate with the military the exit of their commander places Minister Esguerra in an embarrassing position, looking, to public opinion, like an official who is incapable of controlling his subordinates. Indeed, many of the criticisms being voiced by the officer corps are leveled against him. But the fact is that what is involved is more the weakness of the government than of the minister. For, the minister would undoubtedly have had a wider margin of maneuver had the President not been in the midst of the current crisis, a crisis in which the backing of the military may ultimately be decisive.

Blackmail By the Labor Unions

But if with the military the government has been incapable of imposing its decisions, with the labor unions the situation has been no better. Every year, around this time, the government has to face the charade of collective labor agreement negotiations. Rarely, however, has such weakness been seen in the handling of the related conflicts.

The first sign of weakness was the settlement with the electrical sector, in which, in the wake of threats by the workers to produce blackouts in half the country,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the government signed an agreement that will cost the companies over 80 billion pesos. Thus, in addition to the wage increase as such, each worker obtained more than 5.3 million pesos in perquisites, bonuses, and benefits. The worst aspect of this settlement is that these 80 billion pesos swallow up in one fell gulp the proceeds of the rise in energy rates of a few weeks ago, stemming from the dismantling of subsidies for strata from 1 through 4. This means that the additional funds to be collected as a result of this dismantlement can no longer be channeled into the development of new electrical facilities, but will barely suffice instead to fill the bottomless barrel of the sector's new labor agreement for a brief period.

Last week, with the settlement in the Caja Agraria [agrarian bank], an entity that had been in intensive care for more than a year, the government also caved in. After seven days of a strike that Labor Minister Orlando Obregon steadfastly refused to declare illegal despite the fact that the legislation obligated him to do so, the government ended up not only giving in to new demands but also delivering the head of the president of the bank, Carlos Gustavo Cano, who had defied the union. The President, who a week before had threatened to liquidate the bank if the union went on strike, shifted into reverse for fear of losing his labor minister at a time when getting someone to accept a ministry is not an easy task. The incremental costs of the agreement over the proposal that had been put forward by the bank's administration came to some 18.5 billion pesos, not counting benefits as costly and incalculable as, for example, a freezing of the workers' contributions to the pension fund, independently of any wage increases they might receive.

There have been other lesser-known cases, such as that of Ecopetrol in which the USO [Workers Trade Union]—one of the country's most belligerent unions, did not even have to threaten to strike, having succeeded, in a single negotiating round, in halting for a substantial period of time the company's restructuring plans, which had been the result of a detailed study made by the Booz Allen consulting firm at a cost of over 500 million pesos. Despite Ecopetrol president Luis Bernardo Florez's denials that the government has abandoned those plans, the fact is that the steps that were to have been taken this year in accordance with the study have disappeared over the horizon.

In all of these cases, the government defends itself by arguing that it has scored important points in the course of the negotiations, but much of the crisis in the government's capacity to govern stems from the fact that the people do not believe the government. Rooted in the public mind is the image of a government that is open to blackmail by the unions. This has now given rise to rumors of labor conflicts in various sectors and companies, such as Telecom, ETB [expansion not given], Inravision, the health care sector, the banks, the Penitentiary Institute, and even the National Police. The private-sector businessmen, for their part, are terrified at the mere thought that, should a strike be called in their companies, the Labor Ministry in the hands of Obregon would provide them few guaranties.

The cases of the military and the unions are perhaps the most prominent, but are far from being the only ones. At this time, the government finds it hard indeed to say no to the economic groups. But if this is the case in relations between the President and the private sector's most powerful, in his relations with his ministers it is they who indulge in the luxury of saying no to him. Two weeks ago, in less than 24 hours after President Samper, in a speech in the public square, had proposed the instituting of the death penalty for heinous crimes, half a dozen ministers were on radio and TV opposing the idea. And a week ago, something similar happened to Samper with one of his ambassadors. In the wake of statements by the head of state criticizing Cuba for the downing of exiles' planes, Colombia's UN representative, Julio Londono, clashed head-on with him and defended the rights of the Fidel Castro regime.

There are other less-obvious, but not for this reason less serious, examples of the lack of capacity to govern. With respect to the guerrilla problem, the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation], which have not once, in a decade of offers to negotiate a political solution to the problem, agreed to come to the negotiating table to engage in serious dialogue, have now found a presentable excuse for this: According to those groups, in the light of charges of the infiltration of drug money into the presidential campaign, Samper's government does not possess legitimacy, and because of that it cannot officially negotiate with the guerrillas. Until a year ago, in Colombia, we were debating whether or not to dialogue with the narcoguerrillas. Now it is the guerrillas who are debating whether they should negotiate with what an ELN communique a few months ago termed a "narcogovernment."

External Weakness

But if on the internal level it rains, externally it is not clearing. Aside from the case of the United States and decertification, Colombia has been encountering as never before an increasing aggressiveness on the part of its neighboring countries, especially those with which it has boundary differences. Venezuela's tone has been on a constant rise, to the point where its government

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

has now decided to postpone indefinitely the meeting of its foreign minister with his Colombian counterpart, because—some of our neighboring country's government sources have suggested to the press—Caldera's Administration does not believe it can advance matters with Colombia on any terrain whatever at this time.

The most recent example of external weakness occurred a few days after former Minister Fernando Botero's interview with CM& and while President Samper was experiencing one of his worst weeks: His Panamanian colleague Ernesto Perez Balladares asserted publicly that the most recent revelations in the drug scandal have compelled him to doubt Colombia's chief executive. The most incredible aspect of this incident is that such an assertion did not warrant on the part of Colombia's foreign minister even so much as a calling-in of the Panamanian ambassador for consultation, and much less, a note of protest.

Owing to its internal crisis, the management of the country's foreign relations has been slipping from the government's hands, and above all from the Foreign Ministry's. As an international analyst said to SEMANA, "rarely has Colombia had a better-prepared foreign minister with as few possibilities of molding a solid foreign policy." An example of this was the statement made in Washington two weeks ago by General Rosso Jose Serrano, commander of the National Police, accusing Mexico of a lack of cooperation in the fight against drugs, and thus directly affecting Colombia's relations with Mexico. The statement not only ended the possibility of Mexico and Colombia forming a united front to fight for certification, but also gave rise to angry protests in that country, triggering demonstrations against Colombian Ambassador Gustavo de Greiff.

In short, Colombia's relations with Venezuela are seriously strained, the country has experienced some friction with Mexico, and even with Panama, and Colombia today is going through the worst period of its relations with the United States since its separation from Panama. What makes this most dramatic is that barely two years ago Colombia was, next to Chile, at the head of the list of candidates for the North American Trade Agreement, of which Canada and Mexico are already members. Now Colombia has disappeared from that list and is found in another one, the most degrading of all, that of countries decertified by Washington, next to Afghanistan, Burma, Syria, Iran and Nigeria, all of them antidemocratic regimes, some of them considered the planet's most corrupt governments.

As President Samper pointed out last Friday during his television address, this latest action is a despicable injustice. Colombia, the country that in a matter of a few months put the Cali cartel leaders behind bars and has eradicated more hectares of coca and poppy than any other nation in the world, the country that during more than a decade has given some of its best leaders in a bloody fight against narcoterrorism, the country that has had to put aside many of its most urgent tasks in order to concentrate its energy in an almost solitary fight, while the drug-user countries are doing from very little to nothing at all to reduce the illicit-drug demand, this very country was branded by Bill Clinton's Administration as one of the least cooperative countries in the fight against drugs, a pariah within the international community.

It is without doubt an outrageously arbitrary act, and a clear and unacceptable sign that the United States has decided to break with its neutral stance toward Colombia's political crisis, and is trying to bring about the fall of the President. But this in itself, and what occurred Friday in Washington, given the fact that Colombia actually had all the necessary credentials for a new certification, are indisputably definitive evidence of the serious consequences a country has to bear when it finds itself, as Colombia does now, lacking the capacity to govern. The daily EL ESPECTADOR wrote in its editorial on Saturday: "Certification is but one of the faces of the angular geometrical figure that is Colombia's destabilization and power vacuum."

These words, especially when they come from a newspaper that has been Samper's stoutest defender throughout this crisis, demonstrate that beyond the extended national solidarity that his speech Friday night produced at the popular level—and that without a doubt will be reflected in new increases in the President's popularity—the generalized feeling at the ruling class level, which is perhaps where the fate of the head of state will be decided, is that there is a growing loss of capacity to govern and that the ship of state steered by Ernesto Samper is barely staying afloat.

Brief of Grievances

Apart from defending General Zuniga, the military have taken advantage of the situation to lodge serious protests with the government. What are they complaining about?

Although the main issue dealt with in the presidential palace on the night of 23 February was the unconditional support given General Zuniga by the commanding officers of the Armed Forces, it became clear in the course of discussion of the various points raised during the meeting that the military's malaise stems from many other causes. The complaints related mainly to what the high-ranking officers consider to be the nonfulfillment of the promises made to them last year by Samper regarding military spending. A military source in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ministry of Defense told SEMANA: "Last November, in the midst of the political crisis, the President offered us to raise spending to more than $1.5 billion over the four-year period, but now, after his meetings with the finance minister on spending cuts, it has become clear that the amount will barely surpass $400 million." According to the high command, all these cuts, totaling 40 billion pesos under the heading of operations for 1996, keep the troops "on the brink of paralysis," to the point where some battalions that are at higher risk of confrontation with the guerrillas "do not have the capability to endure more that six hours of continuous combat." According to the same sources, this explains why any action being taken against the guerrillas at this time is merely defensive, and why, except for rare occasions, the troops are not properly patrolling the areas of greater FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] influence.

Other elements of dissatisfaction among the officers erupted during the Friday 23 February meeting. One of those elements is the generalized feeling that the government—the President and his minister, to be exact—do not defend the military who are accused of civil rights violations. "We do not pretend that they should protect us against any accusation, because after all we know that anyone accused must defend himself before the law, but yes we do expect at least minimal expressions of solidarity that have never been voiced," added one of the sources.

And lastly, there was an additional complaint that, though seemingly the least serious of all, is being described insistently by military sources as "very ticklish." It is the more or less generalized feeling among division and brigade commanders that during the short weekend trips being taken by the President in various regions of the country, high-ranking officers and their troops are being used to swell the demonstrations. To this, a further nuisance to the officers is being added: "Every time we go to Casa de Narino for a working meeting of any kind, the President's media advisers leak to the media a report that we have gone there to offer our support to Doctor Samper. As a result, on numerous occasions, we have been compelled to make it clear that the Armed Forces support the institutions and not the persons."

As can be seen, the officers' complaints seem fully justified, although in truth be it said, many of these causes have surfaced only within the context of a general dissatisfaction that the newspaper EL TIEMPO summed up with precision in its headline of last Wednesday: "Military Do Not Want To Pay Costs of the Crisis." It all, perhaps, comes down to this.

Ecuador

Ecuador: Judiciary, Police Reject U.S. Report on Drugs

PY1603010696 Quito Voz de Los Andes in Spanish 2300 GMT 15 Mar 96

[FBIS Translated Text] The Ecuadoran Police and the judicial branch have strongly reacted to the recent U.S. State Department report on drug enforcement in Ecuador.

The U.S. State Department report urges Ecuador to reform the judicial system and accuses judges trying drug traffickers of irregularities.

National Police Chief Marco Hinojosa denied the internal crisis in Ecuador last year led to negligence in drug enforcement.

Hinojosa said: In all circumstances, we have been involved in the struggle against drugs. Despite great limitations, there has been a high level of effectiveness.

Hinojosa rejected the content of the U.S. report which states that the corruption scandal and the military conflict with Peru early in 1995 distracted attention from the struggle against drug trafficking.

The U.S. report states that Ecuadoran officials' concern for those situations caused the weakening of the drug enforcement policy, the insufficient coordination between the various state organizations, and the lack of new antidrug initiatives.

Hinojosa added: I believe the charge is an exaggeration because we responded and good results were obtained. He admitted, however, there are limitations in material and human resources.

Ecuador: Armed Forces Mobilized To Remove City Buses

PA1803032196 Madrid EFE in Spanish 0117 GMT 18 Mar 96

[FBIS Translated Text] Quito, 17 Mar (EFE) — The Ecuadoran Government, headed by President Sixto Duran-Ballen, today ordered a mobilization of the Armed Forces to remove scores of old buses that are blocking the main streets in this capital city to protest against a regulation that takes them out of circulation.

Government Minister Xavier Ledezma stated that "the Ecuadoran Government has ordered a mobilization of the Armed Forces that allows the Joint Command of the Armed Forces to take the necessary measures to remove the buses from their locations."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Without giving any further details, the state secretary added that the "removal of the 425 vehicles that are blocking streets will take some time" because of its size.

The Metropolitan Municipality had decided to ban from circulation within city limits those buses that have been in service longer than 20 years in order to reduce pollution levels and organize urban public transportation, which currently has a surplus.

Quito Mayor Yamil Mahuad, who had requested the government to enforce this measure, said: "This decision is both appropriate and logical. "

"Municipal resolutions should be respected. A group of individuals (bus drivers) should not be allowed to disturb Quito in such a way."

Since Friday evening, scores of buses have parked in front of the mayor's office, which is located across from the presidential Carondelet Palace, and have blocked the traffic in this historical center.

Quito woke up today without public transportation and with a traffic jam because its main streets were blocked. Private vehicles had to make long detours to reach their destination.

While the mobilization of the Armed Forces is in effect, they will control the situation in Quito and may enforce national security military laws against all those who continue to block the city streets.

National Defense Minister Alfonso Alarcon stated: "Bus drivers have 24 hours to unblock the streets. Otherwise, we will take the necessary measures."

As a precaution, the government has also suspended classes at nursing, elementary, and high schools until the situation returns to normal.

Ecuador: Candidates Report Attacks on Campaign Rallies

PY1503223596 Quito Voz de Los Andes in Spanish 1700 GMT 15 Mar 96

[FBIS Translated Text] Independent presidential candidate Freddy Ehlers today reported an attack on a rally supporting his campaign. This is the third attack on the electoral campaigns of several presidential candidates over the past two weeks.

Ehlers said unidentified people fired between 12 and 15 shots at a group that was supporting his candidacy in the tropical town of Milagro. He said he will submit to the authorities a video on what happened. He also urged the police to verify the bullet holes in one of the automobiles participating in the rally last Thursday night. Ehlers said at least one person was injured in the incident.

This is the third attack in the past two weeks in different places of the country and against the campaigns of different candidates who seek to succeed current President Sixto Duran-Ballen on 10 August 1996.

Last week the spokesman of Jaime Nebot's campaign, of the Social Christian Party, also reported a plan to murder him. Likewise, Abdala Bucaram, candidate for the Ecuadoran Roldosist Party, yesterday reported that people paid by the Social Christian Party, dynamited a hill to prevent him from arriving at a political meeting in a distant region in Manabi Province. He said he saw a red vehicle and fully identified people paid by the Social Christian Party, who a few minutes earlier dynamited the hill, causing a landslide that prevented him from arriving for the political rally.

Ehlers said he has information that the shots fired against his electoral caravan were made by people from the Social Christian Party, and like Bucaram, held the Government and Defense Ministries responsible for the safety of candidates.

For the first time in the country's history, six independent candidates are running for the presidency. They are not members of, nor supported by, any of the 13 existing political parties. The other six candidates are affiliated to traditional political groups.

If none of the 12 candidates obtain more than 50 percent of the votes in the elections scheduled for 19 May, a runoff election must be held between the two candidates with the largest number of votes. This runoff is slated for 7 July.

Paraguay

Paraguay: Peasant Demonstrators Arrive in Asuncion

PY1503141696 Asuncion ABC COLOR in Spanish 15 Mar 96 pp 2, 3

[FBIS Translated Text] Peasants coming from diverse settlements have started arriving in Asuncion to demand a quick government solution to their problems amidst a great expectation, particularly in the population living in Asuncion and surrounding neighborhoods. Agrarian reform, social and economic assistance, among other items are part of the package of 21 petitions handed down by the Peasant Organizations' National Coordinating Board (MCNOC) — the single organization responsible for the march — to the government.

Thousands of farmers arrived at the premises of the Metropolitan Seminary in vehicles especially rented for the occasion between yesterday and early this morning. In order to prevent the possible infiltration of individuals

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

who might want to disturb the climate surrounding the demonstration, peasant leaders took a roll call before and during the trip in order to clearly identify their passengers. This initiative is in response to police reports that infiltrated Cubans were helping peasants.

The caravan will depart from the Seminary at 0800 and will march to the Congress. The main event will start at approximately 1030. The official itinerary of the march includes Avenues Kubitschek up to Eusebio Ayala, then General Aquino, Azara, and Chile up to the Congress building. According to the police, vehicles used by peasants will park in Parque Caballero, near Plaza Uruguaya, and on Artigas Avenue and parallel streets.

List of Speakers

Organizers will carefully watch the most minute details to prevent the march from becoming politicized. The list of speakers does not include politicians or legislators. There is a place reserved for an official spokesman.

The list of speakers includes the following peasant leaders: Alberto Areco, of the MCNOC; Alfonso Cohene, of the FNC [National Peasant Federation]; Belarmino Balbuena, of the MCP [Paraguayan Peasant Movement]; Adolfo Ortiz, of Onac [National Peasant Organization]; Gregorio Fernandez, of CIST [Landless Peasants Inter-Departmental Coordinating Board]; Eugenio Torres, of MJCC [Christian Peasants Youth Movement]; Epifanio Martinez, of the OLT [Organization for Land Struggle]; Emilio Melgarejo, of the UCN [National Peasant Union]; Teodora Aguilar, in representation of peasant women; Jacinto Espinola in representation of the Larrosa-Jimenez Coordinating Board, and Hilario Sanabria representing the Caaguazu Coordinating Board.

Representatives of the workers federations CUT [United Workers Trade Union Federation], CNT [National Workers Federation], CPT [Paraguayan Confederation of Workers], and CESITEP [expansion unknown], as well as representatives from youth movements, popular groups, and students, have also announced their support.

Leaders of the diverse organizations will meet with President Juan Carlos Wasmosy at the end of the main event. This meeting will occur at Government House at noon. At the end of the meeting peasant leaders will hold a news conference to talk about the results of their meeting with the president. It is presumed that this news conference will be held in front of the Congress building.

List of Peasant Proposals

1. Peasant retirement at 55 years of age;
2. Reform of the Constitution;
3. Rejection of the privatization of public companies.
4. Rejection of political affiliation in public institutions;
5. Legal status of all land occupations;
6. Expropriation of land owned by Alberto Antebi and Blas N. Riquelme and all other large land ownerships exceeding 5,000 hectares.
7. More money for schools;
8. Assistance for pregnant women and children;
9. Construction and equipping of hospitals, with physicians, medicines, and drinking water in rural areas;
10. Adjustment of the price of agriculture products according to the price of consumer products;
11. Reduction of the price of electric energy in rural areas;
12. Accessible credits (cheap and long term);
13. Approval of Law 280;
14. Establishment of agriculture products' prices before sowing;
15. Just prices for agriculture products;
16. Control of toxic agricultural products (banning air spraying);
17. Creation of an agriculture insurance law;
18. Housing for students from rural areas;
19. Dismantling of all repressive apparatus;
20. Creation of an alternative policy for the youth;
21. Paraguay's withdrawal from Mercosur.

Paraguay: Peasant March in Asuncion 'Under Control'

PY1503151196 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1340 GMT 15 Mar 96

[FBIS Translated Excerpt] The peasant march scheduled for today is currently taking place. After two years the peasants have again marched on Asuncion demanding better standards of living through a list of 21 demands. This march has the support of many social groups, including the administration. The peasants have everything in their favor because the government has set into

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

motion an operation to provide them with security, medical aid, and assistance from the onset of the march.

The peasants' meetings in Tacuara last night and in Coronel Oviedo early this morning, their arrival at the Metropolitan Seminary, the mass, and the breakfast organized by the Social Pastoral Organization, all took place normally amid widespread social solidarity.

The marchers are currently walking along Eusebio Ayala Avenue. The peasants will them go down General Aquino and Azara Streets to Congress and from there they will move to Government House for a meeting with the president of the nation. Rocio Franco is covering the march on Eusebio Ayala Avenue so let's hear what she has to say. [passage omitted on interview with peasant leader; video shows hundreds of marchers carrying signs and chanting slogans; video from helicopter shows march stretching over several blocks of Eusebio Ayala Ave. and police cordons at intersections]

You have had an overview of what is happening in Asuncion. A very important event which should make the administration stop to think. What have they done in the past two years? Let's see what the results of the march will be. We will be reporting continuously on this march, which has been orderly so far. It is obvious that the peasant organizations have everything under control. We will keep you informed of developments on the spot.

Paraguay: Peasants 'Dissatisfied' at Lack of Response

PY1603023996 Buenos Aires TELAM in Spanish 2245 GMT 15 Mar 96

[Report by unidentified TELAM correspondent in Asuncion]

[FBIS Translated Text] Asuncion, 15 March (TELAM-SNI) — Thousands of Paraguayan peasants who converged on the capital city today are dissatisfied at not obtaining a concrete response from President Juan Carlos Wasmosy.

The marchers, who numbered between 20,000 and 50,000 — according to different sources — staged a peaceful protest rally at Juan de Zalazar Square, opposite Congress, against the complete destitution in which they live, the privatization of state-run enterprises, and Paraguay's presence in Mercosur [Common Market of the South].

Spokesmen from political, social, and government circles termed the peasantry march historic because no acts of violence were committed during the demonstration.

Peasants leaders submitted a list of demands comprising 21 points to the head of state, to whom they requested the enactment of laws so that farm laborers may extract themselves from the dire poverty in which they live.

The Wasmosy administration responded that the peasantry's specific demands may be solved in a not too distant future, but warned that in no way will it go back on the decision to privatize public companies or promote Paraguay's pull-out of Mercosur.

Government sources explained that peasants' demands on the need to reduce the retirement age for farm laborers to 55 will have to be thoroughly analyzed since the latter have never contributed to the social security system.

Agriculture Minister Arsenio Vasconcellos accepted the peasant leaders' invitation to inform demonstrators about the outcome of the meeting with the president.

The agriculture minister addressed the crowd that had congregated outside the Congress building in the following terms: "You must be proud of having leaders who defend your rights. The administration commits itself to settle most of your grievances."

Silence reigned supreme at Juan de Zalazar Square. Government officials praised peasants' attitude because there were no insults or catcalls.

The peasantry march started at dawn when groups of peasants arrived in Asuncion from different departments of the interior. They assembled in the Metropolitan Seminary, where they heard Mass at 0730.

They subsequently marched 6 km to the Congress building, where they remained until 1700.

Security forces labelled the march as "exemplary and responsible" because the 10,000 men deployed to watch over public security were merely spectators.

Peru

Peru: Court Confirms Life Sentence for U.S. Citizen

PY1503215796 Madrid EFE in Spanish 2014 GMT 15 Mar 96

[FBIS Translated Text] Lima, 15 Mar (EFE) — The Supreme Court of Military Justice confirmed today, in the final appeal, the life sentence imposed on U.S. citizen Lori Berenson; on Miguel Rincon, the number two of the Tupac Amaru Revolutionary Movement (MRTA); and on three other subversive leaders.

Lori Berenson, 26, was labeled a dangerous leader of the MRTA leadership in a communique of the Supreme Court of Military Justice, which denied "the pseudo-U.S. reporter" was a "social worker."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

According to the court decision, the life sentence also affects Peruvians Jaime Ramirez Pedraza, Nancy Gilvonio Conde, and Manuel Serna Ponce.

The court also confirmed the 30-year sentence on Panamanian Pacifico Castrellon Santamaria, who was arrested with 22 other "MRTA militants," that included Miguel Rincon, during a police operation last December.

Peru: Congress Expresses Support for Talks With Ecuador

PY1503214896 Madrid EFE in Spanish 1615 GMT 15 Mar 96

[FBIS Translated Text] Lima, 15 Mar (EFE) — Congressional sources reported today that the Peruvian Congress unanimously decided to support the peace negotiations with Peru, and the associated work by Foreign Minister Francisco Tudela and Defense Minister Tomas Castillo.

The congressional decision was made during a secret session last night after congressmen heard a detailed report on the negotiations with Ecuador made by the two ministers.

The congressional agreement was interpreted by commentators as strong political support for the government, especially for Tudela, who is considered the creator of the new Peruvian strategy in its relations with Ecuador.

The motions for support were presented by the Change 90-New Majority government coalition, and the opposition Union For Peru (UPP), Popular Action (AP), and the American Popular Revolutionary Alliance (APRA).

Spokesmen of those parties and other minor political blocs expressed satisfaction over the report presented by Tudela and Castillo.

The congressmen also expressed recognition for the work of the two ministers "directly responsible for that policy."

Government legislator Jorge Trelles said the approved motions "clearly shows there is strong unity around the government foreign policy which must be supported by all."

Congressman Alfonso Grados of the UPP, the main opposition force, said the five-hour report before Congress by Tudela and Castillo was "clear and convincing."

During the report, Castillo talked about the diplomatic and military aspects of the negotiations, especially the situation in the demilitarized zone, the work being done by the Ecuador-Peru Military Observers Mission (MOMEP), and the measures for mutual trust agreed with the Ecuadoran military command.

Tudela discussed the political aspects of the negotiations and noted that no date has been fixed for his meeting with his Ecuadoran counterpart Galo Leoro to establish the procedures for discussing "subsistent impasses" or pending differences on the border conflict, which lead to a war between Ecuador and Peru in 1995.

Tudela said that before reaching an agreement, however, the two foreign ministers will probably have to hold two work meetings.

He reiterated that the Peruvian Foreign Minister will denounce the Ecuadoran territorial claim contained in the list of impasses presented by Ecuador as a "political declaration."

Ecuador and Peru waged an undeclared war between 26 January and 28 February 1995.

The two countries signed a peace agreement on 17 February 1995 in Itamaraty (Brazilian Foreign Ministry) with the sponsorship of the guarantor countries of the Rio de Janeiro Protocol (Argentina, Brazil, Chile, and the United States).

Peru: Military Leaders Meet With Chilean Counterparts

PY1503172396 Madrid EFE in Spanish 1514 GMT 14 Mar 96

[FBIS Translated Text] Lima, 14 Mar (EFE) — Chilean and Peruvian military chiefs will meet in Lima next week to approve the list of issues to be raised during the Ninth Round of Talks between the military commanders of the two countries.

According to a source of the Peruvian high command, the two meetings will be held in compliance with the terms of the Lima Act, signed by the two countries in 1985, in which they agreed to institutionalize these meetings to promote measures of mutual confidence.

The preliminary meeting to the new round of talks to be held in August, will be held on 18 and 20 March at the Peruvian Army Club, and will also be attended to by Foreign Ministry officials, according to the source.

The same source also disclosed that the Peruvian military chiefs will hold a similar meeting with their Brazilian counterparts, in Lima during the third week of April.

The Peruvian delegation to the mentioned meeting will be headed by General Nicolas de Bari Hermoza, chairman of the Peruvian Armed Forces Joint command. Gen. Benedito Onofre, chief of staff of the Brazilian Armed Forces, will also preside over the event.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The mechanism of these military meetings was created by Peru during the past decade, to promote mutual confidence with neighboring countries and promote a conception of integral security in the region.

Current Peru uses this mechanism with all the countries with which it shares a border.

The first agreement of this nature, signed 10 years ago, was with Chile and the latest with Ecuador that was signed in early March.

Peru: Decertification, Colombian Model Said Linked

PY1503190196 Lima GESTION in Spanish 13 Mar 96 p 5

[FBIS Translated Text] Expert [not further specified] Ivan de Rementeria told GESTION that the success of the alternative development program in Peru is subject to the solution of the problems affecting the agricultural sector.

He also said that the U.S. certification for drug enforcement may no longer be a measure to protect the peoples' health but a sort of "political sanction," as in Colombia's case.

In his opinion, Colombia's decertification not only has to do with the internal political problems involving President Ernesto Samper, but with the Colombian model to rejoin the international economy: whether it continues to implement the neoliberal model implemented by the previous administration, or the protectionist liberal model being used by Samper's administration."

According to de Rementeria, "Colombia's decertification only contributes to the conflictive U.S.-Latin American relationship," showing that the U.S. intentions of cooperating "are not very sincere." He noted that the current U.S. electoral campaign had been decisive in the certification decisions.

De Rementeria said: "I think it is absolutely outrageous and pathetic that the only country (Colombia) that used herbicides to eradicate illegal marijuana and coca plantations was decertified."

Moreover, he said that the current circumstances require that the debate regarding drug trafficking include problems related to the preservation of the environment and, especially the price of agricultural goods within the context of the international market.

He added that: "I think it is ridiculous to talk about a solution to the drug problem until we solve this problems."

Rementeria said that "the solution of the agricultural sector in Peru not only entails the need for a property law but is also related to a market problem.

He added that "just think of all the attempts to sell huge irrigation projects, but nothing has been done so far due to the lack of an efficient agrarian policy."

"If we allow international market forces to prevail it would be cheaper to import foodstuff than to engage in agriculture."

He also noted that there are contradictions between the National Drug Enforcement plan and the approved law to fight money laundering.

He explained that the drop experienced by coca leaf prices in Peru is basically not due to the reduction of plantation areas, but rather to the reduction of the harvests, in addition to the high cost to produce cocaine paste in Peruvian territory.

"Peru has been certified because, according to the U.S. Government it has done well, but we do not know what it did well," he said.

He added that if the coca leaf is erased from the list of stupefiers of the 1961 Vienna convention, "it could be interpreted as an acknowledgement of coca's worthiness."

"However, neither will this contribute to solve the crisis at an international level affecting producer and consumer countries, nor would it be a solution to the agricultural problems the producer countries are facing."

Venezuela

Venezuela: U.S. Defense Secretary Concludes Visit

PA1603020296 Mexico City NOTIMEX in Spanish 2111 GMT 15 Mar 96

[FBIS Translated Text] Caracas, 15 Mar (NOTIMEX) — U.S. Defense Secretary William Perry today concluded a three-day visit to Venezuela, where he emphasized his country's interest in strengthening programs in counternarcotics cooperation.

On Friday, Perry flew over the Angel Falls, the world's highest waterfall, located in the Canaima region, some 800 km southeast of Caracas.

The Pentagon chief announced that the United States will donate helicopters and radars, and train Venezuelan soldiers to fight drug trafficking, especially along the 2200 km common border with Colombia.

Venezuela was one of the countries that received certification from the White House in recognition for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

its fight against drugs, but neighboring Colombia was the only country that failed the exam.

During his visit, Perry met privately with President Rafael Caldera to discuss matters of cooperation and stated at the meeting's conclusion that it had been "very productive."

Despite this being his first official visit to Venezuela, this is the third time that Perry met with his Venezuelan counterpart Moises Orozco Graterol in less than a year. Perry described the visit as "an unprecedented situation."

Perry stressed that the United States is analyzing the possibility of lifting the ban on selling arms to Latin America, because democratic stability is now more solid than a decade ago. "This ban was imposed because of past military dictatorships in the region and risks of confrontations between the countries. But all this has disappeared," Perry indicated.

The official underscored that the U.S. Government is studying the possibility of implementing "a change to this situation," but refrained from guaranteeing that the restrictions on selling sophisticated weapons to Latin American countries will be lifted.

Latin America has put a stop to the threat of de facto governments by strengthening their democracies. But Perry emphasized that the United States is working hand in hand with the governments of the region in order to safeguard the democratic system.

Perry warned that "if a country violates the democratic system, its relations with the United States will, undoubtedly, be hurt automatically."

Venezuela: Survey Says People Rate Caldera's Address 'Bad'

PA1503043596 Caracas EL NACIONAL in Spanish 12 Mar 96 p D8

[Report by Adela Leal]

[FBIS Translated Text] People living in Caracas and other regions of the country have voiced their disapproval of the second annual message President Rafael Caldera delivered to Congress, describing it as "bad" or "very bad." Meanwhile, only 8.1 percent thought his message was "good" or "very good."

The opinion of most residents of the metropolitan area of Caracas and other cities was expressed through a multimedia opinion survey conducted following the presidential message. The sample consisted of 529 people.

Union Radio 1090, Mega 107 radio station, Internet, Compuserve, Globovision Television, EL NACIONAL daily, and Linea N participated In this opinion survey called "Pulse: Your Opinion for the Media.

The question asked was: What is your impression of President Caldera's address to Congress? The results are as follows:

The message was good/very good: 8.1 percent.

The message was average: 11.2 percent.

The message was bad/very bad: 80.7 percent.

"Pulse: Your Opinion for the Media" is the first research tool in which radio, television, the press, and the information superhighway participated in Venezuela.

The objective of the multimedia survey, which yesterday disclosed people's opinions of the president's speech to Congress, is to collect people's opinions on interesting issues and offer the average citizen possibilities of direct participation in public opinions.

Venezuela: Political, Business Leaders on Caldera's Speech

PA1403233396 Caracas Venezolana de Television Network in Spanish 1545 GMT 13 Mar 96

[Passages within quotations recorded; speakers identified by caption]

[FBIS Translated Excerpt] [Announcer Franklin Villazmil] The speech President Rafael Caldera delivered on 12 March has triggered various reactions from political and economic sectors. The chiefs of the various political blocs at Congress disagreed on the content of the presidential message.

[Jose Uzcategui, National Convergence Party leader] "We cannot wait until the president says: I am announcing this; the minister says that. The expectation was on the inclination, orientation, and course the president thinks the country must follow."

[Luis Manuel Esculpi, Movement Toward Socialism leader] "It is still a general course. However, the executive Cabinet will be the one that will make precise and tangible decisions."

[Henry Ramos Allup, Democratic Action leader] "I did not see that he said anything new. It was the same general statements and principles; it was the same thing the ministers had said through the media. It was a repeat of the New Year's speech; he did not announce any tangible measure or give a timetable and instructions on how to proceed."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Nelson Chitty La Roche, Social Christian Party leader] "Yes, Mr. President, but we are asking you: How, Mr. President? When, Mr. President? There is a set of expectations that were not answered and were included in the president's address."

[Carlos Melo, Radical Cause leader] "Many issues were touched upon, but the when and how to proceed were not explained. What about the deficit problem? The salaries problem? The increase in the price of gasoline? The aid from the IMF? We are now in limbo; we do not really know where the national executive branch is going."

[Villazmil] Meanwhile, government officials pointed out that Caldera's message was clear, especially when he called on all the country's sectors to overcome the crisis.

[Fernando Egana, Central Information Office minister] "The president of the Republic has set a clear course for the country's economy, a course for economic opening matters, a course for the government's resolve to sign an agreement with the IMF, a course for all the efforts we have to make to reduce the fiscal deficit, including the need to readjust the prices of fuels following the subsidy PDVSA [Venezuelan Petroleum Inc.] is currently considering."

[Andres Caldera, Secretariat of the Presidency minister] "I believe that the most important thing the president pointed out was that the country's main problem is how to face inflation and reduce the fiscal deficit to a manageable level. It is a task that depends not only on the national government; he clearly explained that there are sectors that are proposing to reduce the fiscal deficit and control inflation, but they are not willing to support certain significant sacrifices each one of the country's sectors must make in order to achieve this."

[Mercedes Pulido de Briceno, Family minister] "The president was very clear on the priorities. We have to take control of production and competitiveness with certain trustful and ethical rules. An ethical society means being responsible in Congress, in government, and in civil society."

[Jose Guillermo Andueza, Decentralization minister] "If Congress fails to cooperate, as the president of the Republic requested, I believe that the crisis will worsen. This worsening of the crisis could even adversely affect the proper functioning of the Venezuelan democratic system."

[Villazmil] In the meantime, the private economic sectors and the labor sector, as well as the rest of the people, are expecting the changes that have yet to take place.

[Jorge Serrano, Venezuelan Federation of Associations and Chambers of Commerce and Industry president] "I would say that there are certain positive matters. We believe his call to hold talks is positive; we hope this attempt to hold talks will be similar to the one he announced in early 1996, when he said that there were going to be constructive talks. This has not been the case so far. The country should hold talks with all sectors."

[Francisco Ramirez Leon, Venezuelan Workers Confederation president, in progress] "...the attempt to continue with the reforms of the social benefits system. We also note this in the determination to introduce this bill. We warned that if this bill attempts to modify the rights workers have gained, we will not give in." [passage omitted on U.S. ambassador to Venezuela's comments]

[Gustavo Roosen, National Telephone Company of Venezuela president] "As for the 1996 programs, we are talking about an investment for 350,000 more telephone lines, about concluding the fiber optic network linking eastern and western Venezuela, and about digitizing a large percentage of our telephone lines in an effort to improve service."

[Eduardo Roche Lander, comptroller general] "The president has announced a number of changes in his executive team; I hope that it will really reflect the government's aspiration, so that we will have an essential change in all aspects."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.